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FBIS-LAT-92-044 *5 March 1992*

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Venezuela

Caracas radio reports that the Congress was sworn in and the leadership confirmed on 4 March. Meanwhile demonstrators were on the move in Caracas demanding the resignation of President Perez and the release of the soldiers who attempted to overthrow the government on 4 February, AFP reports. The coup leaders are being held incommunicado after having been interviewed by two newspapers. NOTIMEX reports that separate demonstrations were being held in front of the Attorney General's Office and near Congress. Meanwhile, a military court issued 13 new arrest warrants in the plot at the same time that 28 more soldiers were freed, Caracas TV reports. The Armed Forces remain on alert.

Haiti

According to Bonaire Radio, General Raoul Cedras said he will not try to influence legislative discussions on the recent accord with the OAS. The radio also stated that Gen. Cedras said he "will open the doors for the eventual return of deposed President Jean-Bertrand Aristide."

El Salvador

San Salvador TV broadcasts a report that the Foreign Relations Ministry has denied that clashes between Army and rebel units have taken place. Deputy Foreign Minister Ricardo Valdivieso "denied the cease-fire had been violated." Valdivieso also expressed "surprise" at the deployment of Honduran troops along the border area, stating that he did not know the reasons for the deployment, and stressing that "no armed incidents have been reported."

Honduras

Tegucigalpa radio reports that President Callejas has requested the UN Observers for El Salvador to "confirm or deny" reports that land in undefined border areas between Honduras and El Salvador has been siezed by Salvadoran guerrillas. Callejas also announced that he has asked the United Nations to send observers to Honduras to guarantee the country's "sovereign rights at the border while waiting for an ICJ resolution" on the dispute. In another Tegucigalpa radio report, Lieutenant Colonel Napoleon Santos Aguilar, Honduran Armed Forces public affairs director, stated that the "Armed Forces are conducting an operation to confirm or deny reports of incidents that might affect national interests and jeopardize peace efforts in the region."

Chile

Santiago radio reports that the Chilean Government has recalled its ambassador to Moscow "to explain why he granted asylum to Erich Honecker," and "to explain the contradictions on the physical condition of the former leader of the now defunct East Germany."

Colombia

The Colombian Government and the CNGSB has issued an official communique stating that "They have decided to resume peace talks in March in Mexico City," reports Santa Fe de Bogota radio.

Peru

President Fujimori says on Lima TV that he supports "each and every one of his ministers," particularly Economy Minister Carlos Bolona Behr. The latter reviews his first year in office in an interview published by LA REPUBLICA.

Cuba

Roa Attacks 'Anti-Cuban Yankee Resolution'

PA0403145992 Havana Radio Havana Cuba in Spanish 0100 GMT 4 Mar 92

["Exclusive" statement by Deputy Foreign Minister Raul Roa Kouri, head of the Cuban delegation at the UN Commission on Human Rights, in Geneva; date not given—recorded]

[Text] [Roa] The anti-Cuban Yankee resolution was voted on today; the resolution concerns the attempt, once again, to appoint a special observer to monitor alleged human rights violations in Cuba. That resolution, obviously opposed by Cuba, represents an imposition by the United States on the Commission of Human Rights through methods of pressure and blackmail. Of course, these methods are well known to us. Our delegation has rejected that resolution outright, and has warned that our government will not comply—just as it did not comply last year. This is an attempt to carry out an arbitrary and discriminatory action against Cuba that has nothing to do with UN human rights regulations.

Meanwhile, the resolution was adopted with 23 votes in favor, 8 against, and 21 abstentions. The 23 votes in favor of the anti-Cuban Yankee draft resolution do not even total half of the commission members. Those 23 members represent 15 nations of the North—which include 11 Western nations and four candidates of capitalism from the former socialist nations of Eastern Europe, including the so-called Russian Federation—and eight [words indistinct] from the Third World. That makes a total of 23. Meanwhile, eight Third World nations voted no, and 21 Third World nations expressed their rejection by abstaining. This means 29 nations of the South refused, in one way or another, to obey the decisions of the U.S. Government.

[Reporter] How was the vote carried out? Was it by roll call?

[Roa] Yes, the vote was done by roll call. If it had been a secret vote, the difference in the vote would have been as great as the one that led to the election yesterday of our expert. Cuba was a candidate to the subcommission, under different conditions because there were four candidates for two vacancies. Nevertheless, the Cuban expert obtained two-thirds of the votes; 67 percent of the commission members, representing 35 nations, voted in favor of Cuba. That election was through a secret vote. If the vote for the resolution had been also been secret, the Yankees would have sustained a similar defeat. But we acknowledge that currently the Yankees represent the only superpower and exercise their hegemony over all those nations of the North as well as over the spineless nations of the South.

[Reporter] [Words indistinct] the election of Miguel Alfonso?

[Roa] I was referring to the election of Comrade Miguel Alfonso as a member, as an expert of the subcommission on the prevention of discrimination and the protection of minorities. This is part of the Human Rights Commission, and that election was brilliant. It demonstrated, once again, the strong support Cuba has from this commission. In the vote today, 29 nations of the South refused to accept Yankee domination.

Havana Notes 'Motley' UNHRC Majority Vote

FL0403164592 Havana Radio Rebelde Network in Spanish 1255 GMT 4 Mar 92

["Our Opinion" commentary by Orlando Contreras]

[Text] Those of us who have witnessed at the UN Human Rights Commission [UNHRC] in Geneva the manner in which votes are bought and the crude way in which the U.S. Government exerts pressure, not only on certain ambassadors but on the very capitals of certain countries, can imagine how the money must have flowed and how blackmail and pressure of all kinds must have been applied to line up the sordid majority that yesterday approved the anti-Cuban resolution. That is nothing new.

I personally have spoken with diplomats in Geneva who in strict confidence—which we have respected—have told me about the pressures to which their countries have been subjected to get them to join the United States. On one occasion the ambassador from one NATO country confided to us that the heavy- handedness and arrogance of the Yankee representatives offended several career diplomats from countries that are U.S. allies. That is nothing new, either.

What is new, sad, and shameful are the votes cast by four former socialist countries: Russia, Czechoslovakia, Bulgaria, and Hungary. For all practical purposes, a carrot was dangled before their noses—and off we go after it!—in the extremely degrading style Washington uses with certain very poor countries in Africa and other Third World latitudes.

To see the current Argentine Government order its ambassador to join in with Washington is nothing new. Submerged in internal corruption in the higher circles of power, which emulate Ali Baba and the Forty Thieves with a vengeance, the Argentine Government spares no effort to win Washington's favor. To tell the truth, it is succeeding. That fact that certain well-known murderers and torturers of women, and even nuns—but who proved to be very weak-kneed when they had to defend their nation in the Falkland Islands—enjoy freedom and impunity does not seem to at all perturb certain Buenos Aires authorities.

The Costa Rican Government is well-known as the White House's favorite. Its foreign minister aspires to being OAS secretary general, and the country's economy is so fragile that their ability to swallow anything can be easily understood.

Chile and Uruguay, on the other hand—if for no other reason than out of respect for those who have been murdered by the two countries' respective military dictatorships, for those who have been tortured, and for the families looking for their missing relatives in the new limbo of the 20th century—could have had a more consistent attitude.

People are being tortured today in Spain, the United Kingdom, and other Western European countries. Denunciations abound. Having been found guilty of participating in aberrant tortures, Spanish police officers are not even always removed from the force. They are merely suspended from their duties for a certain period of time. They get a simple reprimand.

In the United States itself, where more than 2,000 prisoners today wait and have waited for years in the most monstrous uncertainty to suffer the death penalty in the electric chair, the gas chamber, or by lethal injection; where minorities are segregated and children sodomized; where there is corruption at all levels; where black citizens are murdered in the streets by the police, who suffer no repercussions for their actions; to speak of human rights is, at the very least, a cruel mockery.

Such are those who accuse us and who with great difficulty managed to obtain a motley and discredited majority in Geneva.

Politburo Replaces Pineiro With Arbesu Fraga

FL0403155492 Havana Radio Reloj Network in Spanish 1503 GMT 4 Mar 92

[Text] During a meeting held on 24 February, the Politburo of the Central Committee of the Communist Party of Cuba has agreed to release Comrade Manuel Pineiro Losada from the duties he had been carrying out in the International Department of the Central Committee, where he was in charge of the tasks corresponding to the former America Department.

The Politburo has named Comrade Jose Arbesu Fraga, who had been holding the post of head of the Cuban Interests Section in Washington, to replace him. Comrade Manuel Pineiro, who is a member of the Central Committee, will now carry out other party duties.

Castro Meets With West Indian Delegation

FL0403155392 Havana Radio Reloj Network in Spanish 1502 GMT 4 Mar 92

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, has met with the delegation of the West Indian Commission led by Shridath Ramphal, the chancellor of the University of Guyana. During the meeting, which took place in a friendly and constructive atmosphere, they analyzed aspects of interest to the Caribbean region as well as other topics of mutual interest. Cuban Vice Foreign Minister Ramon Sanchez Parodi and other officials also participated.

The West Indian delegation is carrying out a heavy schedule of activities with the aim of directly hearing about and becoming familiar with Cuban reality. The places they have visited include the Biotechnology and Genetic Engineering Center and facilities at the tourism center being developed in Varadero.

Castro Sends Message Thanking Ecuadoran Official

FL0403125792 Havana Radio Rebelde Network in Spanish 0000 GMT 4 Mar 92

[Text] Commander in Chief Fidel Castro today thanked Eduardo Zulita, the president of the Ecuadoran Constitutional Guarantees Court, for his expressions of solidarity with Cuba. Fidel's message was published by the evening newspaper LA HORA and is in response to a message of greetings from Zulita on the occasion of the 30th anniversary [as heard] of the Cuban revolution. In his message, Fidel stressed that the awareness of belonging by origin and destiny to the same human community should serve us as a foundation for achieving the essential unity and integration the peoples of Latin America and the Caribbean need to be able to take the worthy place that corresponds to them in the contemporary world. The head of the Cuban Revolution also noted in his message that among the citizens of greater America there are acts capable of winning over men of goodwill no matter how many disinformation campaigns the common enemies of our peoples may carry out.

Rodriguez Explains Castro Nuclear Arms Position

FL0503132192 Havana Radio Progreso Network in Spanish 1200 GMT 5 Mar 92

[Text] On 4 March, Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, met with (Antonio Stemper Paris), secretary general of the organization for the ban of nuclear arms in Latin America, who is visiting Cuba.

Carlos Rafael Rodriguez explained Cuba's position, expressed at the first Ibero-American Summit by President Fidel Castro, to Ambassador (Stemper) [title as heard], saying that when all Latin American countries assume the responsibilities of the Tlaltelolco Treaty, Cuba will also sign it in keeping with regional unity.

UN Food Program Approves Emergency Aid

FL0403194592 Havana Radio Rebelde Network in Spanish 1800 GMT 4 Mar 92

[Text] The UN World Food Council has approved emergency aid to Cuba because of flooding by seawater at the beginning of February. This flooding mainly affected the capital. In Rome, Council Director General James Ingram [name and title as heard] has ordered that $295,000 worth of food be sent to Cuba to help repair the flood damage. The shipment includes wheat flour, cooking oil, beans, and powdered whole milk. The $60,000 cost of shipping this food will be financed by the World Food Council.

Dominican Republic

Businessmen Travel to Cuba, Meet With Castro

FL0303174592 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 3 Mar 92

[Text] A group of businessmen from Santiago have traveled to Cuba where they met with Cuban President Fidel Castro. Santiago Bishop Monsignor Roque Adames Rodriguez accompanied the delegation of businessmen who traveled to Cuba.

Reports say that it has been proposed that a chapter of the Dominican-Cuban Chamber of Commerce be created in Santiago. The proposal for the creation of this chapter is interpreted as an opening of relations between businessmen in the north of this country and the Cuban Government.

Even though the identities of the businessmen who traveled to Cuba are not known, it is said that among the group there were some important businessmen from the Cibao region. Dr. Juan C. Marcial, who works for the Latin American and Caribbean Department of the Cuban Friendship with the Peoples Institute, has been in this country for several days.

Haiti

Cedras To 'Open Doors' for Aristide Return

FL0503115192 Bonaire Trans World Radio in English 1130 GMT 5 Mar 92

[Text] Haiti's chief of Armed Forces, General Raoul Cedras, declared yesterday that he will not try to influence the Parliament in its discussions on the recent accord signed in Washington. Gen. Cedras also says he will open the doors for the eventual return of deposed President Jean-Bertrand Aristide. The agreement between the OAS and Haitian parliamentarians was arrived at without asking the advice of the Army and there had been some question as to whether the military would go along with it.

No Serious Accidents, Deaths During Carnival

FL0403154892 Port-au-Prince Radio Nationale in French 1200 GMT 4 Mar 92

[Excerpt] The 1992 Carnival has finally ended after three days of mad merriment during which—for the first time in the history of these festivities—no serious accidents or deaths were recorded. Release will give way to stability and celebration will give way to normalcy.

Meanwhile, this Ash Wednesday is, for a number of people, an occasion to rest after the exhaustion of the preceding day and, for others, an opportunity to indulge in introspection and even to repent the excesses committed during the Shrovetide. This Ash Wednesday is a pause between merrymaking and the resumption of normal activities. [passage omitted]

El Salvador

Deputy Minister Denies Army, Rebel Clashes

PA0403140692 San Salvador Canal Doce Television in Spanish 0300 GMT 4 Mar 92

[Text] The Foreign Relations Ministry has denied that there have been clashes between Army and rebel units. It also voiced surprise at the deployment of Honduran troops along the border area.

Deputy Foreign Minister Ricardo Valdivieso denied the cease-fire had been violated. He said the cease-fire is being observed. Valdivieso explained he did not know the motives for the mobilization of Honduran troops along the border area, but he stressed that no armed incidents have been reported.

[Begin Valdivieso recording] The cease-fire is being strictly observed. I just spoke with ONUSAL [UN Observers for El Salvador] chief Iqbal Riza, who confirmed that there has not been a clash. He said the cease-fire is being fully observed. There have not been any changes. [end recording]

Valdivieso stated that no member of the FMLN [Farabundo Marti National Liberation Front] has received territory that is under dispute at the International Court of Justice at The Hague, as the Honduran Government reported on 2 March.

[Begin Valdivieso recording] Both President Callejas and President Cristiani have ensured that no lands in the area of Dolores are being distributed to FMLN rebels by ONUSAL. [end recording]

During the past eight days, there have been diplomatic exchanges between El Salvador and Honduras regarding alleged military overflights of guerrilla camps and the alleged delivery of disputed lands to FMLN rebels. According to the deputy foreign minister, the relations between the countries are stable.

Cristiani Denies Land Distribution Taking Place

PA0503040892 San Salvador EL DIARIO DE HOY in Spanish 4 Mar 92 pp 3, 57

[Text] President Alfredo Cristiani stated on 3 March: "We are not distributing land in the disputed areas. Honduras can rest assured that El Salvador has no intention of doing anything in the areas that are pending a ruling by the International Court of Justice [ICJ] at The Hague."

The president thus confronted Tegucigalpa media reports that are based on alleged secret Honduran Government reports. The Honduran media has reported that the Honduran Foreign Ministry is currently investigating the procedures used by the Salvadoran Institute of Agrarian Transformation to assign land in the disputed areas. The reports have even implicated UN Observers for El Salvador [ONUSAL] representatives in the case and stated these officials had knowledge of the mentioned actions.

Honduras and El Salvador await a ICJ ruling on a territorial dispute dating back to 1969 over 159 km of border lands known as "undelimited border areas."

"We are not going to interrupt or hinder the process agreed to by both countries. The final ruling will resolve these differences," President Cristiani asserted.

On 3 March, Spanish General Victor Suanzes [as published] Pardo, who heads the ONUSAL military mission, said several of the Honduran charges will be investigated. He added, however, that the investigation will be made from outside the area as they are not authorized to carry out an "in situ" investigation.

The friction between both countries began last week when the Salvadoran Government lodged a formal protest with the Honduran Government for the alleged entry of Honduran aircraft into Salvadoran airspace.

Incidents Near Border Denied

PA0503154092 San Salvador Canal Doce Television in Spanish 0300 GMT 5 Mar 92

[Excerpt] The foreign minister announced on the evening of 4 March that the Salvadoran Government has no information on armed incidents in areas near the Honduran border, as reported by the Callejas administration. Jose Manuel Pacas Castro said that this news is no cause for alarm among the population.

[Begin Pacas recording] We have no information on these armed incidents. Salvadoran troops are complying with the Chapultepec Agreements; thus, they are mustered in predetermined places. We see no cause for the Honduran authorities to become alarmed. El Salvador respects its relationship with neighboring countries. It in no way intends or has intended to expand its borders by illegal means or methods that differ from our position regarding our border claims. [end recording]

The foreign minister announced the departure of Spanish Pastor Ridruejo, UN Human Rights Commission special envoy in El Salvador, and assured that he will be replaced by an independent expert who will counsel the government on human rights issues.

[Begin Pacas recording] This means that El Salvador virtually has overcome the problems specified under topic No. 12 of the UN Human Rights Commission agenda. This body studies those countries with the greatest number of human rights violations. The situation will now be studied under agenda topic No. 19, which deals with those countries that require expert guidance to continue improving human rights. [end recording] [passage omitted]

FMLN Rejects Government Decision on Police

PA0403192992 San Salvador Radio Cadena Horizonte in Spanish 1827 GMT 3 Mar 92

[Report by Alexis Diaz]

[Excerpt] Commanders of the Farabundo Marti National Liberation Front [FMLN] have rejected the government's decision to incorporate former agents of the security corps that was dissolved on 2 March—the Finance Police and the National Guard—into the new National Civilian Police [PNC].

President Alfredo Cristiani and Colonel Inocencio Hernando Montana, deputy public security minister, have said that some members of the dissolved security corps would join the PNC to fight crime, which has been on the rise recently.

Commander Salvador Guerra [Atilio Montalvo], member of the PNC subcommission of the National Commission for Consolidation of Peace [Copaz], acknowledged there is a grave crime problem and has noted that during this transitional phase, a program for maintaining public order must be approved. He also said, however, that the FMLN does not accept the position of the government and the Armed Forces because it goes against the Chapultepec Agreement.

[Begin Guerra recording] We believe the transfer of Finance Police and National Guard members to the PNC would be a violation of the Chapultepec agreements, which clearly state that the only public security corps to be created is the PNC. The current National Police force is serving as a public security institution, and the members of the National Guard and the Finance Police are to be absorbed by the Army. At no time can they be transferred to any other institution. [end recording]

Commander Guerra has urged Copaz to speed up the processes to establish the PNC to efficiently fight the crime problem. [passage omitted]

Cristiani Protests FMLN Noncompliance

PA0403193992 San Salvador TCS Television in Spanish 1200 GMT 3 Mar 92

[Report by Republica Polanco]

[Text] President Alfredo Cristiani has said that the Farabundo Marti National Liberation Front [FMLN] has not completed its mobilization to appointed territories.

According to the agreements, both the government and the FMLN had to be stationed at specific locations by 2 March. The government is complying, but the FMLN has not finished its concentration of forces, and that is a violation of the agreement, President Cristiani said.

[Begin Cristiani recording] We see that the FMLN has been slow to comply. Today we sent an official protest to the UN Observers for El Salvador [ONUSAL]. Actually, the protest was sent on 29 February. We are protesting the FMLN's delay in concentrating its forces in the 15 appointed areas. [end recording]

Regarding the duties that the new military police will have now that the country's security corps have been dissolved, President Cristiani said they will watch the border areas.

President Cristiani said the dissolution of the Finance Police and the National Guard will have an effect on crime because the National Civilian Police are not able to cover the entire national territory.

[Begin Cristiani recording] Our public order and security capabilities are not adequate for both urban and rural areas. The National Guard and the Finance Police were the corps that provided this service in the rural areas, while the National Police served the urban areas. Now we are in the process of strengthening the National Police so it can fulfill its mission throughout the national territory during the transitional period. [end recording]

President Cristiani made these statements after presiding over the official National Police ceremony to implement a transition process as part of the second phase of the agreements.

FMLN Says Logistics Delaying Demobilization

PA0403154092 San Salvador Canal Doce Television in Spanish 0300 GMT 4 Mar 92

[Text] The FMLN [Farabundo Marti National Liberation Front] on 3 March denied it is not abiding by the peace agreements. It said the delay encountered in the process of separation of forces is due to logistic problems and not to a lack of willingness. The FMLN denied it is planning to establish agrarian settlements in areas currently being disputed by El Salvador and Honduras.

Commander Manuel Melgar said the gathering of FMLN forces in the 15 areas assigned in the negotiations has encountered logistic problems. However, Melgar said the process is under way. The FMLN commander said the FMLN is not against the demobilization of its fighters and added that the concentration of forces will continue once the problems have been solved.

[Begin Melgar recording] Several groups moved yesterday. They are in their assigned areas. As the logistic problems are solved, we will continue to move other units. [end recording]

Meanwhile, Commander Salvador Guerra denied the FMLN is occupying lands under dispute between El Salvador and Honduras. Guerra said these areas are not areas of concentration.

[Begin Guerra recording] That is not true. The FMLN is not gathering its forces or keeping its weapons in

unmarked border areas. The unmarked border areas are not among the 15 places assigned to the FMLN. [end recording]

Guerra, whose real name is Atilio Montalvo, admitted there are serious delays in the formation of the National Civilian Police [PNC] as a public security structure. Guerra denied former National Police and Treasury Police members will become members of the PNC and urged that body to fight common crime properly.

Commentary on Delays

PA0403162992 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 1200 GMT 3 Mar 92

[Station commentary]

[Text] We have come to the first month of the cease-fire amid certain delays in the agreement implementation schedule and efforts by the right wing to call the delays illegitimate.

The delays are a result of practical factors such as certain ambiguities in the agreements themselves and the need for extensive study in some cases.

The government, business sectors, and military sectors have adopted deceitful attitudes that attempt to discount the agreements. That attitude can be observed in the manipulative way in which business leaders and the government are analyzing the land problem within the so-called areas of conflict and the planned boycott of the national agreement discussions. Regarding military issues, there have been a number of irregular actions directed at keeping the foundations of militarism intact and maintaining military tension, as well as restricting troops to their barracks, transferring members of the National Guard and the Treasury Police to the National Police, and overflights of National Army for Democracy [END] headquarters.

Apparently, the purpose of the entire confrontational situation that is being created is not to go back to war, but to grab what they could not get at the negotiating table. A tense atmosphere is building up that could result in a loss of control over our emotions. That must be avoided.

This effort by the right is the product of a campaign that includes terrorist activities. It is not a disorganized effort.

The murder of a labor union member whose body was thrown at the feet of the workers was not fortuitous. That action followed the slap in the face the business sector leadership gave the agreement earlier. The killing was a sign of how this sector views the agreement.

The ultraright is trying to causee difficulties in the implementation of the peace agreements. The FMLN, however, will not be provoked easily. On the contrary, it will maintain its position of complying with the agreements.

At this time it is important that the mechanisms created by the negotiations—such as the National Commission for Consolidation of Peace and the UN Observers for El Salvador—use their authority to confront destabilizing actions against the peace agreements.

UN Commission Issues Human Rights Resolution

PA0403155792 San Salvador Canal Doce Television in Spanish 0300 GMT 4 Mar 92

[Text] On 3 March the UN Human Rights Commission unanimously approved a resolution against El Salvador for the violation of fundamental liberties. The commission did, however, recognize the progress that the peace agreements between the Salvadoran Government and the guerrillas represent.

The white condemnation [condena blanca] against El Salvador, as it was called in Latin American diplomatic circles, was announced in a draft resolution based on a consensus among Argentina, Colombia, Brazil, Cuba, Costa Rica, Chile, Spain, Mexico, Peru, Venezuela, the United States, and others.

In this document, which was adopted on 3 March without being put to a vote, the commission expresses the belief that the alarming human rights situation in El Salvador can improve substantially if both sides strictly adhere to the agreements signed in New York on 16 January [as heard].

'First' Part of FMLN Economic Proposal

PA0403231192 San Salvador DIARIO LATINO in Spanish 26 Feb 92 p 5

["First" part of Farabundo Marti National Liberation Front, FMLN, Economic Proposal for the Development and Creation of a New Salvadoran Society; date not given]

[Text]

The Obstacles To Overcome

Potential can quickly be lost, if, as a result of false hopes and a conformist attitude, we do not consider our structural limitations. The biggest limitation is the poverty afflicting seven out of every 10 of our fellow citizens: There are more poor people now, and they are much poorer than before. That is precisely why we do not endorse the government's neoliberal policy.

The policy has detriorated the small- and medium-sized producers' situation—even that of the big producers and middle groups. This contrasts with an increase in the already excessive concentration of assets, means of production, and income—thanks to the neoliberal policies that resulted in the reprivatization of banks, foreign trade, and certain lands that were turned over to the country's historical owners earlier this decade. That is why we propose a strategy favoring the majority.

An unfair and heterogeneous production structure with a contradictory logic about accumulation makes for a weak insertion of our economy in the world market and

substantially limits our growth, because production dynamics are basically determined by the world market, the regional market, and, in a marginal way, the national market. These last two have greatly deteriorated due to the crisis in the 1980's, and no efforts have been made to reactivate them on a priority basis. That is why our strategy will incorporate them as a priority element.

In addition, the increase in small estates and the destruction and excessive exploitation of renewable natural resources—made worse by the Army's indiscriminate bombings and use of chemical weapons during the war—is undoubtedly one of the most critical structural limitations for the development and reconstruction of our society. Therefore, a reconstruction strategy must be ecologically sustainable. We must not forget technological backwardness, which was worsened by an irresponsible laissez-faire neoliberal policy and the existence of an increasingly inefficient and weak state.

An overblown military structure creates excessive military expenses and represents a serious limitation in the development of our economy and the people's welfare. Our alternative is to use those resources for educational, health, and social welfare programs.

We have come to the conclusion that our limitations surpass our potential. Thus, the crisis created by this situation can only be overcome if everyone makes an effort.

The crisis is the result of excessive use of an old accumulation model, and the crux of the matter is export of agricultural products, which face structural changes due to the war; technological changes in developed economies; and the international markets reorganization. This phenomenon grows even worse with the regional market crisis and an obsolete industrial system that cannot compete in international markets. That is why we redefine the development structure.

Let us not forget that—given a new world context of protected economies and the creation of economic blocs striving to achieve self-sufficiency and establish competition mechanisms on a complementary basis—the struggle for the New Salvadoran Society's development and construction on an individual basis faces great limitations.

It means that development and construction require a strategic search for an economic integration that allows the Central American economies to become an economic bloc that will seek reinsertion in the world economy.

All this gains importance if the country must start—due to demands from international financial organizations, meaning the IMF, World Bank, and AID [Agency for International Development]—the development and construction tasks within the framework of an economic policy that strives to pay a rising foreign debt despite a critical situation, deep structural problems, the costs of an economic neoliberal laissez-faire, and a capital drain.

We currently have an artificial economy rather than a healthy and strong economy supported by our production. Our economy is basically sustained by external resources: money sent by our fellow citizens living abroad (expelled by the extreme disparities in the country, the problems which caused the war, and by the war itself), estimated at $410 million for this year alone; donations for the war and those affected by the war; and external loans (according to the Ministry of Planning and Coordination of the Economic and Social Development, the balance of the medium- and long-term debt will change from $2.038 billion in 1989 to $3.118 billion in 1994). We can undoubtedly assert that our current economy is an artificial financial economy and will surely lead to a collapse in the measure that the source of our resources disappears. That will be caused by a sharp decrease in the flow of capital to poor nations and restrictions to external cooperation.

Our proposed economic strategy strives to prevent an even more difficult situation that might disrupt and endanger the still fragile and new peace and democratization process borne by our people's struggle, sacrifices, and blood.

Consequently, we issue an appeal to small- and medium-sized producers, big nationalists capitalists, transnational capitals, friendly nations' aid organizations, and international and multinational financial organizations. We urge them to support the Salvadoran people in constructing an economy based on the production of assets and services to benefit all the Salvadoran people; and to help them satisfactorily adapt their possibilities of achieving development. If cooperation and financial aid for the project are not channeled according to the Peace Accords' goals, based on a consensus of a majority of the Salvadoran people, these resources will only serve to repeat the story of a few rich people and many poor people.

Development Plans for the Construction of New Society

Production is almost exclusively oriented to a world market, and this must be modified. The FMLN does not think production should exclusively meet external needs. Production must basically seek to fulfill the needs of a society as a whole. The generation of foreign exchange has sense, strategically speaking, only in the measure that it is necessary to fulfill the Salvadoran people's economic goals.

In that regard, the development of new production capabilities must be part of a logical economic plan that is based first on national and regional demands, and, on a complementary basis, on international demands.

'Second' Part

PA0403231492 San Salvador DIARIO LATINO in Spanish 27 Feb 92 p 4

["Second" part of FMLN, Farabundo Marti National Liberation Front, Economic Proposal for the Development and Creation of a New Salvadoran Society; date not given]

[Text] The development of new production capabilities should first respond to national and regional demand, then international demand.

That development requires raising people's purchasing power throughout the country and their access to production goods. This proposal is also based on a free-trade zone, capital, and human resources. All of this is combined with effective mechanisms to protect and promote Central America's competitiveness in the region's relations with economic blocs of the developed Latin American world.

The incorporation of El Salvador into the world economy in the framework of a neoliberal concept must be considered carefully. As the experience of the past 12 years shows, neoliberalism—which is more a recipe than a solution—will lead to greater limitations and new forms of dependency instead of contributing to the creation of a less polarized society, consistent with its limitations and resources. Only economic integration will make it possible to turn the economies of Central America into an economic bloc, which will serve as the guideline to seek reincorporation into the world economy.

That view invalidates the traditional and basic principle, held for many years, that we can produce and export raw materials only. The new market concept we propose is based on a diversified agricultural and production structure, but more specifically on the agricultural and industrial chain. For this purpose, it is necessary to introduce new technologies, many of which already exist in the market, to process the primary and intermediate goods of the leading agricultural chains.

Nevertheless, consolidating an agricultural and industrial process to raise the prices of national products and make the economy generally profitable will be possible only on a medium- and long-term basis. It demands outlining and implementing immediately a scientific and technological strategy that, accompanied by a higher and universal education, will develop the human resources necessary to meet the challenge. That objective must fit a regional scientific and technological framework and, even more so, Latin American and Third World countries in general and the international networks for the generation and transfer of technology.

All this must be expressed in the priority development of three large areas: an agricultural alimentary system; an industry that makes possible the intermediate and advanced valorization of agricultural and other goods, regardless of whether they are for local consumption or export; and the production of goods and services of a social nature as a means to make the economy more dynamic.

Agents of Change

The construction of the New Salvadoran Society requires the support of the groups of people who for years have been neglected by the economic regime and directly affected by the war. This support should not take the form of altruistically or paternalistically helping them to overcome their hunger and lack of social services by giving them food or money, but by incorporating them as new and dynamic economic agents, capable of expanding their production capacities, working abilities, and technical and scientific knowledge.

The process of consolidating and developing the social organization of the grassroots is necessary and fundamental to maintaining the efficiency of the economic, production, and service activities in the new economic approach. Monetary resources should first be directed to financing very small-, small- and medium-scale enterprises and to giving economic impetus to the people living in the municipalities most affected by the war; to cooperatives throughout the country; to peasants benefited by the Agrarian Reform; to owners of small plots of land; and to poor urban communities. In addition, this financing requires writing off the debts of the people living in areas included in the Agrarian Reform and cooperatives throughout the country. The potential and future national development lies in these sectors and the small- and medium-scale enterprises.

The great local capitalists, who also want peace and democracy, would also profit directly if they adopted this strategy. For instance, there would be skilled labor and the stability that results from peace. The capitalists could make investments jointly with other sectors, reinforcing production activities and services. In addition, internal demand as well as political, economic, and social democratization would increase.

Furthermore, this strategy welcomes Latin and international capital in general, which, within a framework of stability and progress, can find the proper conditions for prosperity, the transfer of technology, organizational systems, and a dynamic relationship with the national economy to help meet the strategy's objectives.

The State To Amalgamate the Interests of All Sectors

In response to the great social polarization and other limitations, the overall development and construction of the New Salvadoran Society must be part of an economic correlation determined and oriented by an adequate relationship between the mechanisms of the market economy and the state's strategic plan, on the one hand, and the participation of the various sectors on the other. The strategic plan intends to stimulate a type of market economy consistent with what has already been mentioned. The plan encompasses the stimulus of development and the regulation of the economy's key aspects and limits the action of the aspects that go against our nation's economic, social, and political objectives.

The consolidation and development of the new economic alliances and the economic and organizational reshaping of the sectors already mentioned will lead to a new state different from the existing one in that it will be a synthesis of the various sectors of society, will work for and in the name of all the Salvadoran people, and will

make its presence felt throughout the national territory. Therefore, it will be a state no longer devoted exclusively to serving the interests of less than 5 percent of the population. It will be a basically urban state that is able to negotiate the country's economic relations with other countries, taking into consideration genuine national interests.

'Final' Part

PA0403232092 San Salvador DIARIO LATINO in Spanish 28 Feb 92 p 9

["Final" part of FMLN, Farabundo Marti National Liberation Front, Economic Proposal for the Development and Creation of a New Salvadoran Society; date not given]

[Text] This proposal demands that the government, as of now, assume its responsibility to directly promote and develop its national productive capabilities, as well as the productive capabilities of the social services: education, health, potable water, electricity, housing, etc. The continuing development of social programs also depends on the community's active participation.

National Mobilization of Resources: Basic Support of Development

The peace agreements were reached mainly through the will of the Salvadoran people and the valuable support of the international community. The economic construction of the new society should first be the result of our own resources, and second, the result of foreign cooperation and financing. To continue pretending foreign resources are the basis for development would make development unfeasible.

Because the state's resources must play a strategic role, they must be increased by improving fiscal efficiency; raising fiscal levels on a par with developed countries' levels; adequately handling the fiscal deficit as an instrument for development; and using the resources available in the national finance system.

Recent experiences in Central America show that aid for reconstruction has been neither adequate nor timely, nor has it been offered in a disinterested manner—at least as far as financial organizations are concerned. Resources assigned to our country should not be undermined by excessive management costs.

Foreign cooperation could very well support our efforts but, to be honest, the FMLN believes we do not need resources to rebuild the past. If cooperation and financial aid inspired by the peace accords are not channeled through a project that is based on a consensus among all groups in our society, the resources will only serve to repeat the history of a few rich and many poor.

We must admit that, given the prevailing critical poverty level and the existence of large groups of displaced people and immigrants living in poverty, humanitarian aid becomes strategic in the short term. It is important to emphasize that this type of aid must be handled in such a way that it sponsors national production, rather than disrupting internal production capabilities. That will prevent the negative and extensively documented problems that aid programs can produce in the nation's food production capabilities.

Consensus is the Only Option for the New Homeland

The economic reconstruction of a nation—with peace, democracy, and development—from now on will be the main problem for our society. The Reconstruction Plan is an issue for all groups. It is not just a technical problem; it must also be the result of a joint effort exerted by our society.

The FMLN issues an appeal to all social groups, organized or not; to the political parties; and to all the country's organizations interested in our homeland's economic reconstruction. The contents of this proclamation are precisely the FMLN's initial contribution to the national debate. A consensus is the only way to reach an understanding and attain the country's economic recovery; that was proved in the negotiations.

Peasant organizations, community groups, labor groups, peasant groups, state workers' groups, service workers' groups, government employees' labor unions, private workers' labor unions, and business groups that want to attain peace and a shared democracy should become key agents for a national consensus that will make our hope for a democracy of and for all Salvadorans come true.

Within the national context, the search for a process to conduct a true consultation should abolish the tradition of privileges for a few and sacrifices for the many.

Consequently, we must all realize we have to give in if we want to achieve progress in the construction of peace and the democratization of our economy.

A strategy for all Salvadorans must start by modifying the social scheme of our economic-social consultation, meaning the one approved and imposed on the people by the state, the capitalists, the international financial organizations, and the U.S. Government. A new consultation, based on the Peace Accords, must be carried out in such a way that it protects all the Salvadoran people's interests by first defining a national consultation. This, in turn, should establish a new dialogue with other governments and international organizations. That is the only type of dialogue that will render viable a true reconciliation, which is essential to start the New Salvadoran Society's development and construction process.

The FMLN is historically responsible for guaranteeing that the new society—whose construction begins today under the peace agreement that was subscribed in the New York Accords with the solidary support of friendly nations—will make the dream shared by all the comrades who sacrificed their lives for the Salvadoran people's hopes become a reality.

Honduras

Callejas Calls For UN Protection of Border

PA0503003992 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 4 Mar 92

[Report by Julio Armando Valdez; passages within quotation marks are recorded]

[Excerpt] Because the Salvadoran Government intends to distribute land currently in dispute between El Salvador and Honduras at the International Court of Justice [ICJ], something that would negatively affect Honduran national interests, President Callejas has spoken with Salvadoran President Alfredo Cristiani.

[Callejas] "I am always in touch with President Cristiani. I have heard via the media what he said, and I share his opinion."

The guerrillas have seized land in undefined border areas. What will the government's position be?

[Callejas] "That is something that has not been confirmed. Since there has been no confirmation, I do not want to speculate. I think this is a very important issue for the nation because of its international repercussions. What we are doing, basically, is asking UN Observers for El Salvador [ONUSAL] to confirm or deny those reports."

President Cristiani has said that he has not promised to deliver land in undefined border areas. Do you trust the Salvadoran Government?

[Callejas] "I agree with President Cristiani in the sense that unnecessary conflicts must be prevented through dialogue. He has clearly stated that El Salvador will respect the ICJ's decision."

Will the border commission send Foreign Ministry officials to evaluate the real situation at the Salvadoran border?

[Callejas] "I understand that two members of the border commission will travel to El Salvador."

Will the Honduran Armed Forces intervene?

[Callejas] "There is no need for an intervention by the Honduran Armed Forces. Although they must protect our national sovereignty, the Salvadoran and Honduran Governments believe that this problem must be solved through legal means. Regarding this, I would like to send a message to the Honduran people: We should not let speculations or media reports lead us to debates on a border issue without confirming those reports first."

President Callejas also announced that the United Nations has been asked to send observers to Honduras to guarantee our sovereign rights at the border while waiting for an ICJ resolution to settle the border dispute. [passage omitted]

Military Investigates Land Distribution Reports

PA0403010592 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 3 Mar 92

[Text] Lieutenant Colonel Napoleon Santos Aguilar, Armed Forces public affairs director, has told Voz de Honduras that the Honduran Armed Forces are conducting an operation to confirm or deny reports of incidents that might affect national interests and jeopardize peace efforts in the region, which have the support of the Honduran Government. His statements are in response to our question about reports that Salvadoran guerrillas are distributing land in disputed areas.

[Begin recording] [Santos] As I said before, I believe you should interview the minister of foreign relations on this issue, as he is the director of our foreign policy and, as such, is the appropriate person to inform you on this matter.

[Reporter] Do you believe such information damages area peace efforts?

[Santos] Both El Salvador and Honduras are committed to a peace process. We do not believe that the Salvadoran Government is in any way allowing this to happen. As I have said, I do not know, so I cannot tell you if this report is true or if it really did happen, but if it did, the Foreign Ministry can give you the best answer.

[Reporter] Do the Army and the government agree in their positions on peace in the region?

[Santos] As the Armed Forces, we are part of a government that has national and international recognition because it has been one of the Central American governments that has fought hardest for that regional peace process. As a part of that government and as the Armed Forces, we follow the orders of our government on the issue, and we believe that all the countries of Central America should seek peace in the region. [end recording]

Authorities Seize Arms Shipment on Border

PA0403195692 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 4 Mar 92

[Text] On 3 March the National Finance Police and local police authorities seized a large arms shipment on the border with Nicaragua at La Fraternidad border post.

The seizure took place at 0930 under the supervision of Choluteca judicial authorities and Corina Carcomo, director of La Fraternidad customs.

The weapons were found in a Volkswagen van with license plate No. MB-1428. The driver was Alvaro Martin Castillo Florez, a businessman from Nicaragua, with passport No. C-047644. He is 27 years old.

The van was also occupied by laborer Orlando Rene Andino Erazo, 30, passport No. C-008208, and by Luis Angel Moreno Cagina, 17, a student, with passport No. C-078377.

The vehicle was heading for Mexico and was to pass through El Salvador. It was going to leave Honduran territory through the El Amatillo Customs Post.

According to reports, the vehicle was stationed at La Fraternidad and its occupants began to attempt to enter Honduran territory legally. When the Finance Police and 101st Infantry Brigade troops inspected the vehicle, they found a false floor, then began a more careful search.

When the van's crew noticed that Army troops and police units were dismantling the floor, they ran and crossed the border into Nicaragua.

It has been confirmed that the three surrendered to Nicaraguan authorities. A Honduran officer said the Sandinist Army is protecting them. The source said that in spite of all their efforts, Honduran authorities were unable to arrest the trio because of the speed with which they crossed the border.

The seized weapons include: 60 AK-47 rifles, 18 T-4 detonating tubes, 25 kg of dynamite, three booby traps, 235 electric blasting caps, 63 blasting caps, 28 meters of detonating cord, five ammunition belts, 47 7.62-mm shells, 993 shells, and 154 AK-47 rifle clips.

The Finance Police decided to search the van after the occupants aroused their suspicions.

Honduran authorities have been able to seize several arms shipments on the border with Nicaragua. It is believed these shipments were destined for the Salvadoran guerrillas. It had been believed that after the peace agreement between the Salvadoran Government and the Farabundo Marti National Liberation Front, arms trafficking in the region would disappear. The incident at La Fraternidad proves otherwise.

If the van was heading for Mexico, through El Salvador, this means the vehicle was to cross the La Fraternidad border post, then El Amatillo, later the border between El Salvador and Guatemala, and finally, the Guatemala-Mexico border, a very difficult endeavor considering the van carried arms.

In view of this, Honduran authorities have not discarded the possibility that the arms were destined for Honduras.

Nicaragua

Air Traffic Controllers Strike, Paralyze Airport

PA0503042592 Managua BARRICADA in Spanish 4 Mar 92 pp 1, 10

[Report by David Gutierrez Lopez]

[Text] On 3 March, 400 workers from the Augusto C. Sandino International Airport suspended their services to regular flights and joined the strike started hours earlier by the airport's 25 air traffic controllers.

The air traffic controllers' strike started at 1500 on 3 March. Manuel Garcia, secretary general of the controllers association, said that higher authorities "forced" two officials to take the striking workers place so the arrival of national and international flights would not be interrupted.

Construction and Transportation Minister Jaime Icabalceta went to the airport to talk to the controllers and asked them to be "patient." He did not offer a "solution, and our patience is limited," said Garcia.

At 1822, shortly after Aviateca's regular flight landed, the airport workers' union leaders announced they would also strike, though they said they would not occupy the building.

Ernesto Rodriguez, leader of the cargo loaders, reported that the workers agreed to suspend the services after they met with Enrique Brenes, manager of the airport. They could not reach any agreements regarding a demand for an 80-percent salary increase.

The services of workers who handle baggage, take the stairs to the planes, and others will be suspended on 4 March. The first airplane is scheduled to arrive at 0600.

Approximately 10 small national airplanes might not be able to take off because the Aeronautical Information Service, which the pilots consult for meteorological information, is also paralyzed.

Complaint Against the Central American Aerial Navigation Service Corporation

The air traffic controllers' strike was declared a few hours before the inauguration of a meeting of transportation ministers of Central America, Panama, and Belize. The ministers will discuss communications and aerial security within the Central American Aerial Navigation Service Corporation, Cocesna.

The controllers had earlier denounced a plan to solve "regional problems" by recruiting and training personnel from outside the aeronautical sector to replace current personnel at a lower cost and in the shortest time possible.

Manuel Garcia said the alleged plan has the support of the area's governments and suggests that Cocesna should control each country's duties. This would undermine national sovereignty, he said.

The union leader also denounced the danger planes may face when trying to land at Managua's international airport.

The official working at the air traffic controls "is one of the chiefs, and he is very capable, but they are violating the agreements of the International Civil Aviation Organization, ICAO, which establishes a maximum time limit of six hours to perform the work properly."

Minister Icabalceta, who is also facing a strike at his own ministry for salary claims, told BARRICADA on 2 March he could not negotiate salaries, "because it would go against the government's economic plan."

Daniel Ortega on BARRICADA Ownership

PA0503021892 Managua Sistema Nacional de Television Network in Spanish 0230 GMT 4 Mar 92

[Report on news conference by Commander Daniel Ortega, secretary general of the Sandinist National Liberation Front, FSLN, upon his return to Nicaragua from Lima, Peru on 3 March; place not given—passages within quotation marks are recorded]

[Excerpt] Referring to the role of the Sandinist media, Commander Daniel Ortega stated that democracy must be for everyone. These statements were made upon his return from Lima, Peru on 3 March. He also touched on various other issues, including Sandinist National Liberation Front [FSLN] ownership of BARRICADA.

[Ortega] "The FSLN owns the daily BARRICADA. When some fellow members of the directorate made the decision that BARRICADA no longer would be the FSLN's official newspaper, they did so without the participation of all members of the directorate. I was not in the country. I told my comrades that such a topic should have been discussed at the Sandinist Assembly. I, however, went out of the country, and comrades from BARRICADA apparently were in a hurry to decide on this, so the directorate made the decision."

Ortega indicated there should be freedom to report information.

[Ortega] "I agree with the statement that the media should have ample liberty to communicate....[pauses] to report information. I share and encourage that belief. The media, however, cannot turn into something that simply reflects given points of view, something that gives more weight to the government's position and not to the activities of popular movements and the FSLN. I know, of course, that this depends on the opinion of the person who is in charge of the newspaper. I, of course, respect the person in charge of the newspaper, but this is my opinion about the way to handle the media....[pauses] the newspaper. Also, I think it is absurd to say that whoever wants a space in BARRICADA must pay for it. That means that BARRICADA would become a newspaper for only the rich people, as the poor people logically do not have the means to pay for space in BARRICADA, EL NUEVO DIARIO, or in any radio. In this case, the poor would have to appeal to the conscience of the journalist, to the level of identification between journalist and the popular sectors, for the latter to spotlight those popular sectors. If that does not happen, the newspaper will become a newspaper for those who have money and who can pay for space to publish their opinions. I think that would be completely opposed to the popular and revolutionary nature of BARRICADA."

Ortega stated that the issue could and should be discussed by the Sandinist Assembly.

[Ortega] "BARRICADA belongs to the FSLN. The FSLN Assembly must study this situation to see if the directors of these media are actually representing the FSLN, in a very flexible manner, as I said. I repeat, I would be opposed to saying that BARRICADA has its doors open only for those who pay. If this was the case, we would be turning BARRICADA into a newspaper for the rich and not for the masses."

[Unidentified reporter] "Apparently there are contradictions between you and Commander Luis Carrion because he said that BARRICADA is independent and free."

[Ortega] "Independence is relative. BARRICADA is an FSLN medium. The FSLN has not given BARRICADA to anyone. BARRICADA is an FSLN medium. The FSLN has its organizations that must decide on what to do with its resources; in this case, BARRICADA. They must decide on their policies and all the rest. What are the FSLN's organizations? The highest organizations are the congress and the FSLN Assembly. The National Directorate heads the FSLN Assembly. I believe the media issue should be discussed by the FSLN Assembly."

Ortega said it must be discussed democratically.

[Ortega] "We disagree with the topic being decided by some comrades who are the directors of the newspapers and others who may be members of the National Directorate. It must be democratically discussed. We are hoisting the flag of democracy, so let us set the example. Discussions must take place in Sandinist organizations so we can [words indistinct] that a news media may have."

Ortega showed his support for workers who were dismissed from BARRICADA.

[Ortega] "I want to show my support for the workers who have been dismissed from BARRICADA as I have done with all workers in a similar situation. I believe an extraordinary effort needs to be made in all FSLN enterprises to avoid dismissing people. It would be wrong for FSLN enterprises to be the first to dismiss workers. We have to set the example. The least we can do is show our support for workers."

The director of Radio Sandino should not allow the radio station, which belongs to the FSLN, to attack FSLN leaders.

[Ortega] "If the radio station director does not want comrade Ada Luz Monterrey to use the media to attack him, he should see to it that the same station is not used to attack FSLN leaders. Individuals without any moral qualities show up in Radio Sandino's news segments and rudely attack Sandinist leaders. You know who they are. I do not want to lend importance to these individuals. I have never wanted to respond to them personally because they have no moral qualities, but they continue to be allowed on the radio station. The station directors should be concerned about opening up spaces. They

must follow a truly Sandinist line. If there are other news media with different viewpoints who believe the correct thing to do is to interview these kind of people, I respect their decision. I disagree with the radio being depoliticized. There are those who believe the radio should be depoliticized. There are people who believe the media should be de-Sandinized [de- Sandinizar]. BARRICADA officials were even discussing the possibility of removing the red and black stripes from the newspaper. They said this made people remember the negative aspects of the Sandinists." [passage omitted]

*** Commentary Warns Against 'Caudillismo'**

92CA0093A Managua LA PRENSA in Spanish 25 Jan 92 p 10

[Article by Luis Sanchez Sancho]

[Text] According to the news reports on U.S. Secretary of State James Baker's visit to Nicaragua, he came to confirm the United States' support for the government of Dona Violeta de Chamorro, but also to remind us that to create a genuine democracy, we must professionalize our police corps and make them independent of corrupting hegemony and partisan political influence.

Mr. Baker apparently made this observation in the most friendly and respectful manner possible, but he put his finger on one of the most sensitive nerves of our national political situation.

The professionalization and depoliticization of the police forces, and of the armed forces in general, is a requirement that the democratic sectors of Nicaraguan society have been demanding for a long time, and one that is unavoidable.

Long before the electoral defeat of the Sandinist regime in February 1990, that demand had been put forward as an indispensable and vital condition for installing democracy in Nicaragua.

Indeed, in the demand for constitutional reforms that 14 democratic political parties presented in the National Dialogue, held in November 1987, it was clearly stated that the armed forces should be a professional body, not belonging to any political party, and that military personnel should not hold public office or leadership positions in political parties. Moreover, it called for structuring the armed forces in accordance with the country's economic capacity and social needs, and for separating the National Police from the National Army, giving it an eminently civilian character.

The demand for constitutional reform with reference to the armed forces was included as a major portion of the campaign platform of the National Opposition Union (UNO), for which a majority of Nicaraguans voted in the elections of 25 February 1990. Thus, the UNO and the government elected by popular majority have an obligation to fulfill that promise, which at the same time is a sine qua non for the rule of law and true democracy to function.

It is obvious that the Army is making gradual progress in its effort to become an institution free of ideological domination and partisan politics. The bitter dispute now being waged between the commanders of the Army and certain reactionary leaders and members of the Sandinist party, sparked by the medal General Humberto Ortega awarded to the military attache of the United States in Managua, can safely be interpreted as evidence that, in spite of everything, the Army is shaking off the totalitarian hegemony of the party.

In fact, it is not the Army's subordination to the interests of the party that worries the democratic forces of Nicaragua and the governments that are following with particular interest the development of our political process. Their greatest concern right now with regard to the military institution is the personal, "caudillist" dominance that General Humberto Ortega seems to exercise over the Sandinist Popular Army (EPS), because militarist caudillismo is just as dangerous, pernicious, and totalitarian as the subordination of the Army to the designs and interests of a party.

Thus, it is not enough for the Army and the police to sever the harmful bonds of dependency that link them to the Sandinist party. The professionalization and independence of the armed forces must also be understood to include the limited terms and rotation of senior officers. No senior military or police officer should hold one post so long that he comes to consider himself indispensable, to fall in love with power, and to subordinate everything to his personal ambitions.

The abuse of civilian political power is dangerous, but the abuse of military power is catastrophic, as Nicaragua's own tragic history shows.

Nicaragua and the world would be better off if there were no armies.

But to progress along the road to democracy, we do not have to dissolve the armed forces immediately. The democratic hopes of the Nicaraguan people would be spurred if we merely set limits to the terms of senior military officers in their posts, if we rotated them and regulated their retirement.

We must point out that to achieve this democratization of the armed forces, no constitutional reform is necessary. It is sufficient to modify the police law and the organizational law governing the EPS. This would enable us to fulfill the campaign promise to the majority of the people who voted for the UNO platform. More importantly, we would be laying the foundation for a true, modern democracy.

Panama

Union Rejects IFI-Inspired Economic Measures

PA0303181192 Panama City LA ESTRELLA DE PANAMA in Spanish 3 Mar 92 p b-7

[Communique issued by the National Central Organization of Panamanian Workers, CNTP, in Panama City; date not given]

[Text] Over two years after the infamous and brutal invasion of our country, huge differences still exist between our current leaders and the general population due to the antinational and unpopular measures being implemented in the IFI [international financial institution] economic plans.

Our rulers have demonstrated a considerable lack of leadership; we are still suffering interventions and invasions of our internal affairs. Examples of this are "Fuertes Caminos 92," the U.S. ambassador's opinions regarding our negotiations with the IFI's, and the Southern Command's carnival.

Members of the self-styled "Democratic Opposition" are now raising their voices to denounce antipopular measures that they helped to legislate and approve. The people cannot forget that they shared and wielded power for almost one and one-half years, harassing, jailing, persecuting, firing, and repressing laborers, government employees, politicians, and other popular classes.

A parliamentary majority in the Legislative Assembly for the purpose of approving laws against popular interests, and later attempts to justify the injustices that are approved, are equal to overdoing demagoguery and showing little regard for the the intelligence of the people, who have patiently tolerated the legislature's actions since the nefarious 20 December 1989.

Psychological warfare has been waged through alleged subversive movements; innocent people have been arrested and honest citizens harassed, while true terrorist acts are carried out in the name of "the democracy of the invasion." Terrorist laws have been passed such as the Mutual Legal Assistance Agreement, tax reforms, the terrorist plan of "voluntary" retirement of goverment employees, the release of the market to the detriment of a terrified national industry. Debt service is paid in exchange for more debt, while the terrorism that produces social debt such as unemployment, hunger, poverty, poor health, and increased food prices is overlooked.

The state has carried out economic terrorism against the labor unions and their social laws; judicial terrorism exists in the absence of the rule of law; and the state has carried out many other terrorist acts so the people, still under the effects of the terrorism of the invasion, and another invasion the Pentagon has announced, will submit docilely to a sentence of slow social and economic death.

The CNTP [National Central Organization of Panamanian Workers] is calling for a true democracy with social justice in which the rule of law prevails. The CNTP declares that the survival of democracy depends primarily on the people's economic and social rehabilitation. Without social justice there is no democracy.

[Signed] Elberto Luis Cobos, secretary general
Alfonso Chambers, assistant secretary of press and propaganda.

Argentina

Interest in Solving Falklands Conflict Stressed

PY0403190292 Buenos Aires TELAM in Spanish 0915 GMT 4 Mar 92

[Text] Buenos Aires, 4 Feb (TELAM)—Foreign Minister Guido Di Tella has reaffirmed the "permanent interest" of Argentina in "finally solving the Malvinas Islands conflict." He added that "the trip President Carlos Menem will make to Great Britain in 1993, is independent" of solving that conflict.

Di Tella said: "We have one objective, which is to recover the islands, and we think it can be achieved in a short period of time." He added that the Argentine position is not a mere "whim," because "we are actually working on it."

The foreign minister recalled that during his recent visit to London he met with his counterpart Douglas Hurd and with Deputy Foreign Minister Tristan Garell-Jones, to whom he explained "the background information and the characteristics of the arbitration with Chile," although "without formally proposing a similar measure."

Regading the development of bilateral negotiations, he said that "the islanders have a central role in the political resolution of the conflict, that can only end with a treaty signed by the two congresses." He said that the "Kelpers" now "have a strong voice" in the British House of Commons.

Di Tella added that "one new piece of information is the emergence of a powerful lobby of British companies that have invested in Argentina, or are interested in doing so, companies that favor a final solution and whose influence is also felt in the House of Commons."

This action of British companies, Di Tella concluded, means that "the axis of the problem has changed," showing "in a clear manner the effect that the internal transformation" of Argentina "has on its foreign policy."

In remarks published today by the Buenos Aires morning newspaper EL CRONISTA, the foreign minister denied that "negotiating the petroleum deposits around the islands will favor the status quo and will consolidate the British domain" in the islands.

He explained: "It has been confirmed that without Argentine cooperation there will be no possible exploitation, and besides, a representative of the islanders is on the negotiating committee. This is very important because it means the end of the policy of ignoring Argentina."

Book Details Background of Condor-2 Missile

PY0403201292 Buenos Aires CLARIN in Spanish 1 Mar 92 p 10

[Text] The decrees on the Condor-2 that were signed by former President Raul Alfonsin authorized the Air Force to appoint the German company Consen, a subsidiary of Messerschmitt-Bolkow-Bloehm, GmbH (MBB), to act virtually as the "manager" [preceding word in English] for the technological, commercial, and financial aspects of the project. The strategic value of the self-propelled rocket for military use made the drafting of secret rules mandatory.

Iraq is not mentioned in the preambles or resolutions of Decrees 604, dated 1985, and 1315, dated 13 August 1987, however, as Economy Minister Domingo Cavallo asserted when he was foreign minister.

Cavallo's comments caused arguments during the congressional debate with the Radical Civic Union [UCR] party about whether to send ships to the Persian Gulf at the end of 1990, when there was fear that Iraq might use these Argentine missiles against Israel or another neighbor.

Although the book by journalist Daniel Santoro "Condor-2 Operation, the Secret Story of the Missile Deactivated by Menem" has not been published yet, CLARIN has had an opportunity to read it. The book states that in these decrees—the contents of which were not known until now—Alfonsin declared the Condor-2 project—which caused the United States a great deal of concern—to be of national interest.

Washington and U.S. Ambassador Terence Todman were so interested in this secret project—through which Argentina attempted to develop an intermediate-range (1,000 to 5,000 km) missile—that a delegation of U.S. experts visited the secret facilities at Falda del Carmen, Cordoba, to confirm that the project had really been deactivated, as CLARIN had reported.

The U.S. delegation, which was headed by Robert Walpole, U.S. Department of State deputy assistant secretary for Political-Military Affairs, will submit a report to the U.S. Government's highest officials, who want to confirm that the Argentine Government's official promise to definitively deactivate the project and transfer it to the civilian sector through the National Space Activities Commission [Conae] had truly been fulfilled.

Official sources have reported to CLARIN that in view of the absolute inactivity of the facilities, "where a national formula to produce solid fuel" for the Condor-2 was developed, Walpole and Defense Secretary Juan Ferreira Pino had to remove cobwebs that were covering some of the high-technology equipment stored there.

The last chapter in this story is still missing, however. In a speech delivered to the nation on 28 May 1991, Defense Minister Antonio Erman Gonzalez promised "to render useless" the parts of the missile that cannot be recycled into a rocket intended for peaceful purposes.

It is also reported in the aforementioned book that the deactivation of the Condor-2—which can be launched

directly at the Malvinas—was one of the conditions for resuming diplomatic relations that were imposed by the United Kingdom in 1990.

For the same reason and to avoid "a hostile act" against London after the Fire Focus maneuvers in the Malvinas, the UCR ordered the Air Force to suspend the launch of the first Condor-2. The rocket would have been launched from Cabo Raso, 130 km south of Rawson, with a conventional charge. President Alfonsin and Theodore Gildred, who was then the U.S. ambassador to Argentina, were invited to the ceremony.

The book also asserts that Brigadier Andres Antonietti, Military Household chief, conveyed confidential data on the financial aspects of the initiative to Cavallo and current Foreign Minister Guido Di Tella to use in a private meeting with the Air Force leadership and the defense minister, who did not accept the decision.

Among other problems for the government caused by the Condor-2—at one time Cavallo even threatened to resign—it is mentioned that Todman, tired of oral promises by high-ranking officials, sent Gonzalez a letter listing all the promises that had been made to him and that, as of 28 May, had not been fulfilled.

* Neustadt's Role as Menem's Key Adviser Viewed

92SM0261A Buenos Aires SOMOS in Spanish
20 Jan 92 pp 4, 6-7

[Report by Daniel Gonzalez; first paragraph is SOMOS introduction]

[Text] Operation Cleanup: Bernardo Neustadt is today the man with the most influence on Menem's decisions: He recommended Vicco's departure and rescued Manzano. With sights set on retaking the lost initiative toward correcting the country's economic course, the President undertook a vigorous political maneuver. After a long telephone conversation with Bernardo Neustadt, Menem decided the firing of his private secretary, the rescue of his minister of interior, the role of Domingo Cavallo and Eduardo Menem, and the return of Alberto Kohan to the scene.

[Question] Do you feel secure in your job?

[Answer] Absolutely.

Interior Minister Jose Luis Manzano's answer to the question was so categorical that the interviewer, on Channel 10 from Mar del Plata, saw no need to repeat the question. The exchange took place on Sunday 12 January shortly after 1500, as Manzano was entering the Chapadmalal Tourist Unit to have a talk with President Carlos Menem.

"We are very serene," the minister added on that occasion. He had interrupted his tour of Spain because of the death of his favorite nephew, and secondly, because of criticism alleging his involvement in the purchase of a $1-million home.

In the hours that followed, Manzano lost his serenity, as he experienced, in person, the giddy pace that Argentine politics has been taking on, almost customarily by now, during the month of January in recent years: 24 hours later, no one was betting as much as a single new peso on the fate of the interior minister.

Common Fate

On Monday night a feminine ear listened to the minister's misfortunes. From the west coast of the United States where she is vacationing, Adelina Dalesio de Viola called forth all of her abundant reserves of optimism in an effort to quell her boss's anxiety. She was unsuccessful.

Unexpectedly, his fate seemed tied to the same rope that was already encircling the neck of Menem's private secretary, Miguel Angel Vicco, who 45 days earlier had been implicated in the scandal surrounding the supplying of spoiled milk to the Public Health and Social Action Ministry's Mother and Child Aid Plan. In his political agony, the secretary must have flashed a last smile: At least he was dragging down with him the one he had felt all along to be ultimately responsible for his downfall.

For, during those fateful hours, the president had also decided to withdraw his support of his faithful friend Vicco. A telephone conversation lasting an hour and a half, around sundown on Monday 13 January, finally made him decide. Something like an alarm clock rang in the president's head when he heard the following sentence: "You must get rid of the persons who are hurting you and begin choosing officials by their curriculum vitae and not by their letters of recommendation."

The person winding the alarm clock was the man who during this highly eventful week became one of the principal political operators and who, among other things, appears as Manzano's savior. He is neither an official nor a legislator. Neither is he part of the political fauna. His name is Bernardo Neustadt, he is a newspaperman, and, as the moment of decision approached, he again proved equal to the occasion, as he did when he filled Plaza de Mayo with the most concise slogan in Argentine history: "Yes".

As TIEMPO NUEVO's managing director, he is one of the principal ideologists of the "New Course" [Nuevo Curso] that the government seeks to follow. Anyone reading this Wednesday's "mini-dialogue" published on the first inside page of AMBITO FINANCIERO's cover could accurately describe the events that shook the political summer on that day.

But that conversation between Neustadt and Roberto Garcia, the daily's assistant editor, was not published in complete form. In the final version, names and surnames disappeared, replaced by not very cryptic euphemisms. Julio Ramos, the daily's editor, was put in charge of the change, thus stripping the story of all its newsworthiness.

The day before, 10 minutes after Neustadt had hung up with Garcia, Domingo Cavallo himself called Neustadt, very upset at the harshness of statements Neustadt had just made.

"But I just now finished talking. How did you find out?"

"Well, one has friends."

The chat was lengthier, of course. And the minister got around to his main objective: Get Neustadt to bend and join in the defense of Manzano.

And Neustadt did. And so it was that Tuesday night, after playing soccer in San Vicente, scoring a goal, and beating the Duhalde's Boys team, the president again heard from his friend Bernardo. After that conversation, Menem decided the retention of Manzano as his minister of interior, and the name of the head that was to roll to compensate for Vicco's: The head would be that of Juan Carlos Mazzon, Manzano's right arm and political mentor.

Among Manzano's followers the suspicion is being voiced that the one responsible for the beheading is none other than Alberto Kohan, the former minister, who has reemerged to occupy a place again in the political mainstream. Kohan's return is so certain that Wednesday night, at the height of the political storm, he was selected by the president to dine with him in private at Olivos. And the following morning, he had breakfast with Eduardo Menem.

But sources near Kohan swear that he was not the one behind the ouster of "El Chueco" Mazzon, whom he deeply respects. These sources have lobbed the ball back into Manzano's court: "It was Manzano himself who handed over Mazzon's head," they say.

At the Ministry of Interior the answer is: "That is sheer madness. As far as we are concerned, 'El Chueco's' departure is one from the heart."

Visibly moved, the Ministry spokesman was citing one of Francis Ford Coppola's greatest movies. Perhaps Mazzon's case would be better explained by the title of another movie by the same director: "The Outsiders."

Neither Manzano nor Kohan could have any interest in toppling the deputy minister of interior. The publishing of a previous prison sentence simply served as an excuse at the moment that the scale holding the still bloody head of Vicco in the other pan was being balanced. Mazzon walked into the street at the least opportune moment, and the rock that was meant for Manzano hit him in full. Such are the laws of the street. Sometimes they are mistaken for accidents.

Eduardo Too

Senator Eduardo Menem, as well, teamed up with Neustadt and Cavallo to defend Manzano. The former emcee of the "heavenly triad" showed that his much publicized distancing is not all that marked.

Sunday afternoon, the senator traveled from Pinamar to Mar del Plata to join in a meeting between Manzano and his brother. Further meetings followed over the next several days. Even after the worst of the storm had passed. At 0300 on Thursday, they again had a long telephone conversation—the last one before the Cabinet meeting—and, in that conversation, put the finishing touches on a common stance.

Manzano and Eduardo Menem prepared an explanation of the present situation: It is entirely owing to the workings of a plot orchestrated by an entente among part of the media, the United States Embassy, and, out of fear of a negotiation that could be prejudicial to them, some anonymous creditors of Argentina's foreign debt.

This interpretation was repeated in the offices of the Interior Ministry, and purposefully amplified: "The target of this offensive is the government's political sphere, because we are the political counterpart of the economic plan." Any uninformed person will read this to mean that Manzano, Bauza, and Cavallo are the targets. Manzanism's message is clear: "We are not alone."

Menem, too, seemed to share that view on Wednesday night, when he spoke of "a campaign to discredit the government," and said, perhaps in a slip of the tongue, that with those attacks, "honor is being thrown to the dogs." He then proceeded to vent his wrath against PAGINA/12 reporter Horacio Verbitsky, also known as "Perro" [Dog].

The Thursday cabinet meeting rubber-stamped the prior agreements. The massacre ends with Vicco and Mazzon, but no one gets a second chance. And Operation Cleanup decided by Menem becomes the preamble of what the government posits as a new phase, namely, with economic stability as a base, the laying of the political groundwork for a year that is to be characterized by three determining factors: The speeding up of privatization policy, negotiation of the foreign debt, and special attention to the so-called social debt.

The latter issue has been brought to the fore in the last few weeks by Julio Cesar Araoz's activities. Thus far, the investigation of recent happenings within the Ministry have had the green light. Because of this, Bauza has stopped supporting his man in the PAMI [Comprehensive Medical Assistance Plan], Miguel Nazur, and no one has put a curb on a process that is seeking to tarnish former Minister Avelino Porto's reputation. Even though the Buenos Aires PJ's [Justicialist Party] choice of candidate for senator is at stake.

Carlos Grosso, however, seems determined to fight for the former minister's good name. During Thursday's hectic cabinet meeting, the Mayor read recent polls showing good ratings for the JP and very good ones for Porto. Araoz chose silence and everyone approved the ratification of the nonparty-member as the Buenos Aires PJ's only candidate.

A rather depressed Menem—only those who are very close to him and know him well are aware of how much the decision to let Vicco go affected him—demanded that his men answer publicly and juridically all accusations in which they are involved. Owing to the judiciary's vacation period, they will have time until 1 February to decide on the orientation of their suits. Manzano, for example, has already determined his: He will bring suit against EL INFORMADOR PUBLICO, the magazine NOTICIAS, and Horacio Verbitsky—curiously enough, through the publisher of PLANETA and not of PAGINA/12....

Bernardo Neustadt has been demanding none other than this all along, in his different columns and appearances in the media, in which he has urged that "all government officials clarify—that they go before the courts and deny, point by point—all accusations."

As he has pointed out to the president in their many chats this week, "notice must be taken of the courts, but even more so of what the people are saying." Had he been speaking into a TV camera, he would have said "to what Dona Rosa [Mrs. Rosa: Argentine colloquial personification of 'the housewife'] is saying."

And on Wednesday when Neustadt went to Punta del Este to see Antonio Gasalla in his skit "The Truth of the Milanese Woman", ["La verda de la milanesa"] Gasalla was dressed in the proverbial attire of Dona Rosa.

"Thanks, Bernardo, for making me so famous," said the actor to Neustadt.

These were not the only thanks Bernardo received this week.

[Box p 6]:

Who Is 'El Chueco' Mazzon

Even though it may seem a contradiction, Juan Carlos Mazzon drew a sigh of relief when, on Wednesday, he ceased being the Interior Ministry's under secretary. A relief such, that on Thursday, after saying goodby to his staff, he flew to Mar del Plata to continue the vacation that had been interrupted 72 hours earlier by the new political scandal. The fact is that "El Chueco," as he is known in official circles, never wanted to be a government official. Not only because he knew that at some point in time the fact that he had spent 32 months in jail for fraud would be recalled, but also because he had always felt more at home in the political "underground": maneuvering in an environment of militancy, negotiation, and informal get-togethers [cortitas].

Mazzon is recognized everywhere as a typical dyed-in-the-wool Peronist militant; not a "big mouth" [jeton], as those who speak their mind and face up to debate in assemblies and meetings are called. Invariably accompanied by his "Little Brother" ["Hermanito"] with which he addresses friends and enemies alike, Mazzon is a master of one-on-one dialogue, for which he receives high praise from notables on the opposite side of the street, such as Alberto Kohan.

The present minister of interior took him on as a mirror, to help him maneuver over the political terrain, and, with time, chose him as his right hand in arriving at important political decisions. Initiated into the armies of the Iron Guard [Guardia de Hierro], Mazzon was arrested and sentenced in 1981 after being prosecuted for fraud (he was carrying a false driver's license, and money, the origin of which he could not account for, had been found in his home). He regained his freedom in mid-1983. At the time of his arrest he was in charge of Mendoza's Motor Vehicle License Bureau.

A bone problem in one of his legs led to an operation in 1986 that left him with a defect in his walk, from which his real nickname "The Cripple" ["El Rengo"] was derived and later euphemized to "The Bowleg" ["El Chueco"], as more befitting in high public office. Despite all of this, Mazzon is a skillful soccer player. He is an Independiente [soccer team] fan. His other "hobbies" are also typical of a militant: Barbecue, mate [the beverage], and truco [a card game].

"The only thing I can devote myself to is politics, because it is the only thing I have done for all of 25 years," this man is wont to say, who, on Thursday, was visibly moved by the words of praise uttered by the lawyer who had defended him when he was arrested. In an interview that morning with Mario Mactas for RADIO CONTINENTAL, the lawyer, Washington Abalos, whom Mazzon had not seen since 1983, had extolled his former client's conduct.

Driven by circumstances to occupy official positions, he made Manzano very happy in 1985, when he defeated Jose Octavio Bordon by a narrow margin in the elections for the presidency of Mendoza's Peronist movement. Six years later, the present minister's smile of joy turned to a grimace. However, Mazzon, at 44 years of age, shortened Manzano's agony, saying to him: "Lollipop, I don't want a massacre. The best thing to do is for me to leave." And Thursday night, Mazzon returned to Mar del Plata to enjoy his vacation with his wife and children. He will definitely be able now to get to do what he most likes: militancy and behind-the-senes action. And negotiation, spearheaded as always by his "Little Brother."

Bolivia

Paz Zamora on Drug Summit, Visit to Mexico

PY0403203892 La Paz Radio Fides Network in Spanish 1100 GMT 4 Mar 92

[Excerpts] [passage omitted] Upon his arrival at Tarija on 28 February, President Jaime Paz Zamora granted a short interview to the media at the airport. He said the Bolivian viewpoint on the antidrug fight is being

accepted and was included in the joint declaration signed by the seven countries attending the antidrug summit in San Antonio, Texas.

Paz Zamora also told the journalists that he will spend the Carnival holidays at his El Picacho home and will not participate in official or Carnival activities.

He reported that in San Antonio he commented on the need to ensure that private U.S. companies actively participate in the alternative development program, because the U.S. Government has refused to increase economic assistance to the coca-producing countries. The implementation of the alternative development program becomes still more important in view of the U.S. Government's refusal.

The president said that the decision to create a high-level commission to visit the industrialized countries has given emphasis to the proposals approved at the San Antonio summit. He added that these countries have been invited to join the Group of Seven countries that met in the United States and thus organize this movement on the international level. He added that a high-level commission composed of the seven countries will meet every year to analyze the implementation of the agreements reached during the summit. The president asserted that the Bolivian thesis is gradually imposing itself internationally and that the drug summit was a success.

Asked about his visit to Mexico at the invitation of President Salinas de Gortari, he said that, although short, it was pleasant because the two countries decided to implement a complementary economic agreement and create a free-trade zone. [passage omitted]

The president concluded by saying that he took this new opportunity to strengthen diplomatic ties abroad to explain the Ilo Accords signed between our country and Peru, which granted Bolivia a sea outlet. [passage omitted]

Brazil

Foreign Minister To Visit Moscow; Increase Trade

PY0403130492 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 4 Mar 92

[Text] Foreign Minister Francisco Rezek will visit Moscow to prepare for the visit President Fernando Collor will make to Russia. One of the main objectives of the trip is to increase trade between the two countries.

Brazil wants to increase investments and trade with the CIS, formerly the Soviet Union. The foreign minister will visit Moscow in May. He will meet with Boris Yeltsin. They will prepare for the visit that President Collor will make early next year. Rezek said that the independent states are starting a pluralist democracy and a market economy, thus increasing their reserves because they are no longer spending what used to be spent on their military industries. Brazil wants a share of those commercial investments.

[Begin Rezek recording] Russia no longer spends what the Soviet Union used to spend supporting certain regimes abroad to maintain its ideological partners, and it no longer spends on the arms race. Huge amounts of money are saved in view of these two new political positions and all this money will be channeled toward healthier objectives, namely for trade and investments for those activities that seek to benefit the people. [end recording]

On his trip to Moscow, the foreign minister will be accompanied by some 50 businessmen who will negotiate the installation of Brazilian industries in Russia, which could increase the Brazilian trade balance up to $3 billion. Rezek will also deal with the establishment of a Brazilian Embassy in the Ukraine.

Varying Stands on Proposals for Eco-92 Viewed

PY0403213292 Sao Paulo FOLHA DE SAO PAULO in Portuguese 2 Mar 92 p 3

[Report by Daniela Chiaretti]

[Text] The Collor government has raised two proposals to be championed during the last Eco-92 preparatory meeting which begins in New York today. One of these proposals, the "bold" one, was raised by the Environment Secretariat of the Presidency of the Republic (Semam). The other proposal, the "conservative" one, was drawn up by Itamaraty. The latter won.

Nine of the 10 members of the Brazilian delegation that will champion the Brazilian proposals for Eco-92 (six are from Itamaraty) carry with them a document that the government released on 7 February. The document contains the Brazilian proposals drawn up by the Inter-Ministerial Commission, Cima, for the preparation of Eco-92.

Meanwhile, one delegate is a stranger to the group. Paulo de Goes, the Semam technical, scientific, and cooperation department director, carries seven other documents in his briefcase—one document for each of Eco-92's main issues.

Goes' mission involves trying to induce the Brazilian delegation to abandon a defensive position, seize a vanguard position, and cast out the specter hovering over Eco-92: mere rhetoric.

One of Semam's documents, obtained by FOLHA DE SAO PAULO, contains positions that vary from the position supported by the Cima, a collegium headed by Foreign Minister Francisco Rezek and including such disparate members as Environment Secretary Jose Lutzemberger and Army Chief of Staff General Antonio Joaquim Soares Moreira.

The document clearly criticizes the Cima document and the position that the Itamaraty diplomats have been championing at international meetings. The Semam says that Brazil should "take a vanguard position" and "move beyond the theoretical position it has taken."

Joao Paulo Capobianco, a Cima observer from the executive secretariat of the Brazilian Forum of Non-Governmental Organizations [Forum Brasileiro de Organizacoes Nao-Governamentais], said: "This shows that the Semam, which is responsible for our country's environmental policy, did not effectively participate in the document drawn up by Itamaraty and formally approved by the Cima."

USP [Sao Paulo University] agronomy Professor Virgilio Viana, one of the Semam documents' coordinators, said: "The definition of the Brazilian position on issues such as forests must be coordinated by the Semam and not by Itamaraty."

Itamaraty disagrees. Rezek's spokesman Luis Fernando Benedini said: "The Semam was based on the Cima." He added: "Semam's documents are supplements that will serve for possible adjustments to the Brazilian position." He is not surprised that Itamaraty ignores the documents. Benedini noted: "We would have become acquainted with them in New York."

[In another article on the same page, the same reporter adds: "Marcos Castrioto de Azambuja, regarded by environmentalists as the most liberal of Itamaraty's diplomats linked to Eco-92, is no longer Cima's second in command. Last week, Collor appointed him as ambassador to Argentina. One of the government's main Eco-92 architects, Azambuja is leaving during the countdown for the conference. Environmentalists are surprised at this. Itamaraty views this as something natural. Rezek's spokesman Luiz Benedini said: 'This is normal in a diplomat's career.' Azambuja was acting Cima president and Itamaraty's foreign policy secretary."]

Opposing Ideas

PY0403214892 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Mar 92 p 35

[Unattributed report on ideas by Secretary of Environment Jose Lutzemberger and Foreign Minister Francisco Rezek on UN Conference on Environment and Development]

[Text] This is what Secretary Lutzemberger believes:

1. The countries that have forests must be reimbursed for losses resulting from failure to exploit them. (The Presidency of the Republic Secretariat of Environment, Semam, not only defends this idea, but believes the reimbursement could be done through an international fund for conservation.)

2. Brazil may be favored if the forests and climatic changes issues are discussed jointly. (Brazil could be rewarded for conserving the forest and preventing emission of CO_2, carbon dioxide, which is the main cause of the greenhouse effect.)

3. Brazil should insist that an international law on forests be drafted as soon as possible. (The Semam states that Brazil should give up its current defensive attitude regarding forests.)

4. All possible efforts should be made to establish precise goals on deforestation and reforestation. (Otherwise, the Semam states, commitments made by the countries will be mere rhetoric.)

5. Brazil must insist that the countries immediately draft plans for the development of their forests. (This position would have a political meaning, because it would make Brazil the leading tropical country in this aspect.)

This is what Minister Rezek believes:

1. Countries that have forests should not be paid by the developed countries to preserve them. (Itamaraty does not want Brazil to be paid not to develop the Amazon region. Defense of Brazilian sovereignty over the region is behind this position.)

2. The forests issue should not be discussed with climatic changes. (The developed countries are responsible for most of the gas emissions causing the greenhouse effect. The countries that have forests also contribute to that through deforestation, but in smaller proportions. Itamaraty fears that, by linking one issue to the other, the wealthy countries deny responsibility and hold the developing countries as the only ones responsible for the problem.)

3. This is not the appropriate moment to create international rules on forests. (Itamaraty supports this position, although it states that it always has been in favor of holding an international convention on forests.)

4. Precise goals on reforestation or on deforestation reduction should not be defined. (Itamaraty believes these goals could not be achieved at the moment.)

5. Countries should develop their forests in a rational manner, with flexible deadlines and goals. (Itamaraty believes this is the only way to obtain approval of the document by a large number of countries.)

Chile

Minister: Honecker Asylum Not Authorized

PY0403172092 Santiago Radio Chilena Network in Spanish 1600 GMT 4 Mar 92

[Text] The Chilean Government has called Ambassador Clodomiro Almeyda to explain why he granted asylum to Erich Honecker. Here is Maria Angelica Rodriguez to explain the news:

[Begin recording] [Rodriguez] Foreign Minister Enrique Silva Cimma has asserted that the Foreign Ministry did not authorize the Chilean Embassy in Moscow to grant asylum to former GDR leader Erich Honecker before he entered the embassy.

The Botkin Hospital in Moscow has stated that Honecker's health is not as serious as diagnosed by Russian doctors at the Chilean Embassy in Moscow. Minister Silva Cimma has added that Ambassador Clodomiro Almeyda will soon be called back to Chile to explain the situation.

[Silva Cimma] The Foreign Ministry will contact Ambassador Almeyda. There are reasons enough for that. To have a clear idea of the situation we will call (?the ambassador) back.

[Rodriguez] Silva Cimma declined to discuss with Senate President Gabriel Valdes his assertion that Ambassador Almeyda has dealt with Honecker's case in an unprofessional fashion. Silva Cimma said that he is not defending himself against opinions like that of Gabriel Valdes or any other government official. He said that he is acknowledging the criticism, adding that all positive criticism will be taken into consideration and negative criticism will be ignored.

Asked how much longer Honecker will remain at the embassy, Silva Cimma said this will be decided as soon as Ambassador Almeyda reports on the situation. He denied rumors—like those spread by the Red Cross—that President Aylwin has requested safe-conduct for Honecker into Chile. [end recording]

Ambassador 'Urgently Summoned'

PY0503132492 Santiago Radio Chilena Network in Spanish 1000 GMT 5 Mar 92

[Excerpts] The controversy over the Honecker case continues. Chilean Ambassador to Moscow Clodomiro Almeyda has been urgently summoned to our country to report on the situation of the former German communist leader. [passage omitted]

Foreign Minister Enrique Silva Cimma said that the Chilean ambassador in Moscow must explain the contradictions on the physical condition of the former leader of the now defunct East Germany.

Silva Cimma added that it is premature to talk about a possible petition for the Chilean diplomatic representative to resign. The foreign minister said that Chile will maintain the status of guest for the former German leader until his situation is resolved.

PDC: Asylum for Honecker 'Inappropriate'

PY0503023092 Santiago Radio Cooperativa Network in Spanish 2200 GMT 4 Mar 92

[Text] Senator Eduardo Frei Ruiz-Tagle, chairman of the Christian Democratic Party [PDC], this afternoon emphatically stated that granting asylum to Erich Honecker is inappropriate.

Eduardo Frei recalled that the PDC has always energetically condemned the systematic violation of human rights by Honecker's government in the former GDR and understands the German Government's and people's desire to judge these actions through a fair trial because they represented serious violations of rights and moral principles.

Frei then added:

[Begin Frei recording] From the beginning of this incident, we have voiced our support for the highest state authorities in the sense that it is inappropriate to grant asylum in this case, since the Federal Republic of Germany is a state that legally guarantees a fair trial for Mr. Honecker. Therefore, we disagree with the recent arguments of those who request asylum for Honecker. According to the law it would be inappropriate to grant him asylum, and doing so would gratuitously offend the German state. [end recording]

Later, the PDC chairman said:

[Begin Frei recording] The PDC believes that since our government is aware of Mr. Honecker's current health condition, it should, together with Germany and Russia, seek a prompt resolution to the case. Our government's humanitarian gesture must not be regarded as an obstacle to international justice and law. [end recording]

Senator Frei ended by stating that he fully agreed with President Aylwin's decision to immediately summon Ambassador Clodomiro Almeyda to Santiago to explain Honecker's case.

Costa Rican President Arrives on Official Visit

PY0503023292 Santiago Television Nacional de Chile Network in Spanish 2330 GMT 4 Mar 92

[Text] Costa Rican President Rafael Calderon Fournier arrived in our country a few minutes ago. The Central American chief of state will remain in Chile until Sunday, 8 March.

Rafael Calderon, who arrived with his wife and a group of Costa Rican legislators and businessmen, was welcomed at the Pudahuel Airport by Chilean Foreign Minister Enrique Silva Cimma.

Tomorrow the Costa Rican president will start a series of official activities, among them a meeting with Chilean President Patricio Aylwin and with the president of the Supreme Court, Enrique Correa Labra. President Calderon will also sign a trade agreement with Chile.

Organizations Denounce 'Double Standard' on Cuba

PY0503011492 Santiago Radio Cooperativa Network in Spanish 2200 GMT 4 Mar 92

[Text] Some 30 social, labor union, intellectual, and political organizations have signed an open letter to President Patricio Aylwin denouncing a double standard in the Chilean international policy regarding Cuba, in view of the Chilean representative's vote against Cuba in Geneva.

In the letter, the organizations state that in Cuba the death penalty is applied only against those people who have been tried in compliance with Cuban laws and found guilty of crimes. The letter notes that, unlike under the military regime that ruled in Chile, there is not a single arrested missing person in Cuba, there are no cases of torture, and there are no prisoners being held without trial, much less political prisoners; there are only prisoners guilty of crimes under Cuban laws.

These and other arguments give the Chilean Foreign Ministry no reason to vote with the United States in favor of the appointment of a special observer to Cuba.

Air Force 'Interested' in Permanence of Commanders

PY0403125692 Santiago Television Nacional de Chile Network in Spanish 2300 GMT 3 Mar 92

[Excerpt] Air Force Commander General Ramon Vega has stated that the article of the Constitution which establishes that the commanders of the Armed Forces cannot be removed, an article which may be amended soon, is very important and complex. He said:

[Begin recording] It is a very important issue for the defense institutions, very important for the Air Force. It is a complex issue and we are very interested in it. Obviously, we cannot give a generalized opinion on such a complex subject that is so important for the internal and external efficiency of the Chilean Air Force.

I have nothing official to say, but as soon as the subject has been officially considered the Air Force will issue a statement. [end recording] [passage omitted]

Economy Minister Views Low Consumer Price Index

PY0403025292 Santiago Television Nacional de Chile Network in Spanish 2300 GMT 3 Mar 92

[Interview with Economy Minister Carlos Ominami by Bernardo de la Maza in Santiago—live]

[Excerpt] [De la Maza] Mr. Ominami, good evening.

[Ominami] Good evening.

[De la Maza] What is the meaning of a consumer price index [CPI] of 0.6 percent for the average citizen?

[Ominami] The two most important consequences are as follows: First, the middle-class Chilean will see an improvement in his salary or pension; that is, it will be worth more because the purchasing power will have increased. Second, people who owe money in Development Units [UF] will pay less in February; their installment will be lower than in January because the UF will be lower as a result of the negative CPI.

[De la Maza] Can we say that each Chilean is a little richer as a result of the negative inflation rate?

[Ominami] There is an effective improvement in people's purchasing power. But we have to be aware that two factors intervened: First, the index means that our fight against inflation is yielding good results, that we are winning the battle against inflation, but there are also seasonal circumstances in February that influenced prices, particularly in the area of food.

[De la Maza] Meaning that this 0.6 percent does not necessarily mean this year's inflation rate will be very low.

[Ominami] I think this CPI helps. In my opinion, 1992 will show the success of our fight against inflation. Many Chileans remember that we had an 18- percent inflation rate last year.

[De la Maza] What can we expect this year?

[Ominami] A significant improvement. We have said that our goal is not to exceed an inflation rate of 15 percent. This negative CPI will help us achieve our goals and will allow us to propose an even more ambitious rate in 1993. [passage omitted]

Colombia

Government, CNGSB To Resume Talks in Mexico

PA0403140592 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1325 GMT 4 Mar 92

["Official" communique issued by the National Government Commission and the Simon Bolivar Guerrilla Coordinating Board, CNGSB, in Santa Fe de Bogota on 4 March—read by announcer]

[Text] Communique

The negotiating commissions of the government and the Simon Bolivar Guerrilla Coordinating Board [CNGSB] report to the public:

1. They have decided to resume peace talks in March in Mexico City, as approved by the friendly country's government.

2. They state their recognition of the Venezuelan Government and people, who generously offered their cooperation so the Colombians could explore the possibilities of reaching a peace agreement.

3. The CNGSB spokesmen's transfer to Mexico City will be carried out on Wednesday, 4 March. Consequently, the government reasserts the security guarantees this transfer requires, essentially meaning the suspension of

military operations for 36 hours in the municipalities of La Uribe, Meta, and Algeciras, Huila Department, effective 0600 on 4 March; and for 24 hours in Quipile municipality, Cundinamarca Department—from where the guerrilla spokesmen will depart—effective 0000 on 4 March. [signed] National Government Commission CNGSB Commission [issued] Santa Fe de Bogota, 4 March, 1992.

De la Calle Comments

PA0403221292 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 4 Mar 92

[Interview with Government Minister Humberto de la Calle by Guillermo Gonzalez in Santa Fe de Bogota on 4 March—recorded]

[Text] [Gonzalez] The Electoral Follow-Up Committee [Comite de Seguimiento Electoral] meeting has just ended at Narino House. Government Minister de la Calle, the peace talks will resume in Mexico on 9 March. What is the atmosphere in view of the latest terrorist actions by the CNGSB and the uneasiness created by the self-defense groups' reactivation?

[De la Calle] It is a very difficult environment. The guerrillas have continued to stage actions against the civilian population. Concerning the self-defense groups, there is some confusion in the initial report. I would not guarantee that this version is correct. This point is being investigated. The atmosphere does not lead to great optimism. Nevertheless, the government maintains its position of continuing the dialogue even though it understands this policy is being implemented within quite adverse circumstances due to the terrorist actions by the guerrillas.

Joint Declaration Signed With Costa Rica

PA0403155392 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 4 Mar 02

[Text] A joint declaration and six memorandums were signed on 3 March by the Colombian and Costa Rican Governments. Both countries signed trade and judicial cooperation agreements on the second day of President Rafael Angel Calderon's visit.

The declaration emphasizes Latin American unity. The real substance of the meeting between Presidents Gaviria and Calderon is the agreement to establish a free trade zone to start operating this year and the reduction or elimination of taxes to introduce merchandise into Colombia and Costa Rica.

[Begin Calderon recording] The groundwork was established today for the treaty negotiations both governments will hold through their foreign trade ministries. I hope this is done when President Gaviria visits Costa Rica. We have invited him to visit us. [end recording]

Colombia and Costa Rica also reached agreements on coffee and oil issues. Colombian oil shipments will be sent every month, and Costa Rica will pay for them within 30 days. As for coffee, a specific plan will be prepared to change the world pact.

[Begin Calderon recording] A consensus prevails regarding a new agreement on quotas in Central America, Mexico, Colombia, and the African countries. Brazil is the only one that is not included. [end recording]

Peru

Fujimori on Ministers, Budget, Tax Measures

PA0403164192 Lima Global de Television Network in Spanish 0100 GMT 4 Mar 92

[Excerpt] In Cuzco, during a working visit on 3 March, Peruvian President Alberto Fujimori said he personally supports each and every one of his ministers.

[Begin recording] [Fujimori] Each and every one of my ministers have my support. Not one of them will resign. All of them will continue at their posts, particularly the minister of economy.

[Reporter] A large amount of money has been earmarked for the IMF and only 700 million [currency not specified] has been allocated for the health sector. That means that tax collections will not be used for public works as it had been reported earlier.

[Fujimori] The budget proposal has been approved by the Congress. I cannot remember the amount of money the Congress has approved for the amortization of the debt with international banks. Those repayments must be made, however, because Peru cannot live without the international financial community. The reincorporation of Peru into that community is an objective shared by all.

[Reporter] The most recent tax package affects the middle class in particular.

[Fujimori] I will make a specific report on tax matters on 5 March. Before you ask me again, however, I wish to refer to the concern of some depositors, particularly the Industrial Bank and the Savings Bank. The state guarantees all savings in those two banks. Depositors can rest assured their money is safe. That is the procedure. The Continental Bank will take over all of the Industrial Bank's accounts. Interbank will take over all of the Savings Bank accounts. All the money deposited in savings account, plus interest, deposited at the Savings Bank, will be taken over by Interbank. We hope a happy solution will be reached. For the time being, I cannot say anything about CCC [expansion unknown] because it is a strictly private bank. [passage omitted] [end recording]

Economy Minister Reviews First Year in Office

PY0403140092 Lima LA REPUBLICA in Spanish
16 Feb 92 pp 4-6

[Interview with Economy Minister Carlos Bolona Behr by Vidal Silva Navarrete on 15 February 1992, place not given]

[Text] [Silva] This week you complete one year as head of the Economy and Finance Ministry. Many thought that you were just a circuit breaker, but it appears that you have resisted the overload. What really happened?

[Bolona] It depends on the capacity of the breaker. One must begin a job like this thinking what must be done and how to keep on top of it, not thinking of dates or seeking to remain forever in the post.

[Silva] Will you complete a second year at the Economy and Finance Ministry?

[Bolona] One year has been an invaluable experience. I think much has been achieved and there is still much to do. It is also true that this year has been tiring, but I have the best intention to keep up the good work.

[Silva] When the poorest people of Peru hear your words, should they rejoice or be unhappy?

[Bolona] To the extent that inflation has been controlled, that stabilization has been achieved, and that an adequate social emergency program has been obtained, I believe the poorest people will benefit most from the results of the economic program, because it is very clear that those who can best defend themselves from hyperinflation are those with the highest incomes.

[Silva] And what about the business sector?

[Bolona] There are groups that find it difficult to change their orientation and policies and which are used to living off subsidies, state paternalism, and mercantilist practices, and I believe they stand to lose the most in any change to a competitive economy.

[Silva] Would you draw a balance of your administration?

[Bolona] We must always consider the pros and cons of an administration. I think we have achieved stabilization and the modernization of structural reforms. Reinstatement into the international community has been a good achievement. There is still much to be done in the social emergency area. We have not managed to achieve much in that area. Privatization is another important point we must speed up. Regarding state reorganization, so far we have achieved what had to be done. We wasted a lot of effort on a tax reform that should have been implemented in November 1990. Because of that we lose between $10 and $20 million in revenues each month, which could have been used for defense, infrastructure, health, education, and we could have eased the very tough situation that we endured in 1991.

[Silva] Despite the efforts by the Sunat [National Superintendency for Tax Reform], if tax revenues are not increased some economists believe that we will end the year with a $600 million deficit in the budget.

[Bolona] We hoped to begin with a balanced budget but, unfortunately, it was not to be. According to the budget law, there is an imbalance of approximately 1.2 billion soles, some 2 percent of the Gross Domestic Product [GDP]: The Agrarian Reform Law, between expenditures and its reduced income, represents a loss of approximately 300 million soles, while Law 20530 can cost us the same amount, along with the danger of further losses if it is not stopped. So, we started very badly because the budget, which should have been balanced, is already adrift by 4 percent of the GDP. We have to control both expenditures and income if we are to prevent the gap from becoming completely unmanageable.

[Silva] Do you hold Congress responsible for this situation?

[Bolona] I am worried that some congressmen are not yet aware that Peru has not yet concluded its stabilization period. Hyperinflation can now either drop or run away. That is our great dilemma.

[Silva] Are you satisfied with the inflation rates?

[Bolona] The goal we set for December was 3.5 percent, and we were not far from it. The accrued inflation rate in December was 140 percent and I believe that this is one of the few occasions when in making an economic policy we have been so close to a goal. This year we want to end the year with a total of 37.5 percent. That will not be easy. Our goal was to begin with 3.5 percent per month, and we are achieving it. We want to end the year with 2 percent per month inflation.

[Silva] Some believe that the low inflation rate is due more to a Central Bank restrictive monetary policy than an effective tax policy.

[Bolona] We cannot fall into the game of who gets the credit and who is to be blamed. That would be a little childish. Peru has a set of economic measures that is just beginning to yield fruit.

[Silva] It seems that your relations with the Central Reserve Bank [BCR] president have not been very good in recent days. He has just reversed the announcement by Jorge Chavez on the elimination of the bank debit tax.

[Bolona] Our relations are normal as far as the fiscal and monetary authority are concerned. I consider inappropriate the decision to preannounce measures while fiscal matters are being evaluated. For example, if I made an announcment about monetary rates I would be told, with good reason, that the Ministry of Economy and Finance [MEF] has no monetary authority.

[Silva] Have jurisdcitions been invaded?

[Bolona] I would not say that, but that sometimes one acts enthusiastically, wanting to be the first to report

some news that may be of interest for some sectors. It makes more sense to announce a package of coordinated general measures than to make early announcements here and there.

[Silva] Regarding early announcements, is there any plan to eliminate the tax on the bank debit, a measure which is regarded as nontechnical?

[Bolona] We have many nontechnical taxes. I regret to say that as long as we refuse to accept technical taxes we will have to tolerate nontechnical taxes.

[Silva] Will the bank debit tax be among those eliminated?

[Bolona] That and many others will be eliminated.

[Silva] Which ones?

[Bolona] The selective tax on interests for example. We are eliminating the tax on exports. We are no longer implementing the draw back [preceding two words in English] on traditional exports.

[Silva] Can these be considered preannouncements?

[Bolona] No. I would prefer not to make any preannouncements. We have to see how to meet our expenditures, and if something is left over, we will see how to eliminate or reduce the taxes. If we eliminate a tax we will have to replace it with another one.

[Silva] Businessmen are facing serious problems.

[Bolona] I know. They face high interest rates, a stagnant exchange currency that creates problems for exporters and importers because they make imports cheaper, fuel prices, indexation, and inflexibility in the labor market. Consequently, despite a slight growth in the economy their profits drop and even become negative. We need to improve details within the economic program, because to change it now would be absurd.

[Silva] We are going through an adjustment process. Do businessmen also have to make adjustments?

[Bolona] Definitely. The central government has gone through an adjustment process. Private business, and public companies must also make adjustments, especially the latter, because they still continue with the indexation and excessive costs ...

[Silva] What was the deficit of state companies in 1991?

[Bolona] It could be around 500 million soles. If in 1990 we had a deficit of 3 to 3.5 billion soles it is now an improvement, but 500 million soles causes pressure, because it has to be found somewhere.

[Silva] Will the government intervene with reserves of the Bank of the Nation or the Social Security Bank to improve the dollar rate?

[Bolona] We can use the excess of liquidity for the purchase of dollars for only for one or two weeks. But that is not the case now and it will be difficult to have a surplus now. We could coordinate with the IPSS [Peruvian Institute of Social Security] to use its funds, and in some way to iron out the liquidity effect by helping interest rates and exerting a little pressure on the dollar. But that action has a limited effect. The Central Bank should participate in open market operations to uniform the liquidity effect.

[Silva] Jorge Picasso, president of the Association of Banks, has protested over the possible reduction of the interest paid by the BCR on the minimum legal reserve in foreign currency because the reduction would represent a loss of $20 million per year. Do you have any comment on that?

[Bolona] Organizations are trying to protect themselves in the best possible manner. There is a risk that the financial institutions, instead of providing or injecting liquidity into the production system, make deposits as legal reserve in the BCR to get an interest rate of 7 percent when the international interest rate is 4 and ½ percent.

[Silva] An important part of the financial system is in the hands of the government. Could the government fulfill that role through them?

[Bolona] The government has to do that and to guide the plan for reducing interest rates. But we must also reorganize the financial system. Little progress can be made with an unhealthy financial system. Bolivia spent six years with very high interest rates maintaining an unhealthy financial system.

[Silva] Will the Popular Bank be privatized?

[Bolona] We have to privatize, not only the Popular Bank, but the entire banking system.

[Silva] The president once said that banks and public companies should not be sold cheaply.

[Bolona] Privatization does not mean selling cheap; it means selling at the market price and to do that there must be very clear operations.

[Silva] Unemployment and underemployment have increased considerably following the stabilization program.

[Bolona] There has been an increase. It is difficult to measure in our economy because we have a very large black-market economy that covers those variables. Who is underemployed or who is unemployed? The street vendor? That is a great cushion that has helped to ease certain aspects of the crisis. But it is a very difficult element to measure.

[Silva] Do you foresee any improvement in employment in the next few months?

[Bolona] This will be a difficult year. The best way to prevent unemployment is through privatization, because public employees directly become private employees, and there are no layoffs.

[Silva] The legal minimum wage has been 38 new soles for the past year. Is that miserable wage an achievement or a failure of your administration?

[Bolona] It cannot be said that it is an achievement or a failure. I would say that the minimum wage is a basis on which businessmen and workers can negotiate an agreement. Private companies are probably paying an average minimum salary of 130 to 140 soles. I have talked with some of the economic agents who were more interested in having a minimum salary than the workers, because they could use it as an argument to tell their workers: I cannot pay you a higher salary because this is what the government has established.

You can see the results because the number of strikes has decreased considerably.

[Silva] For fear of unemployment or because their stomachs are full?

[Bolona] It could be, but I also believe that workers are now more aware of their jobs.

[Silva] How do you justify wages of 50 soles in the state organizations?

[Bolona] The problem there is the treasury. That is all we can pay.

[Silva] Will the number of public employees be reduced?

[Bolona] There is a plan to reorganize the public sector because there is a collapse of the state, which is very large and inefficient. It is what we inherited. There is no way to pay higher wages to public employees. We have almost 1.2 million public employees. In other words, one in every six individuals work for the government.

[Silva] Did you announce a salary increase for next week?

[Bolona] I said that the minimum wage will have to be defined and that, depending on the treasury situation, some selective increases for different sectors will be made.

[Silva] What are your goals in the main economic variables for this year?

[Bolona] We must continue to reduce inflation to 37 percent this year. Inflation should be 2 percent in December. We must continue to increase our reserves to $1.6 or $1.7 billion. Last year we had a growth of 2.8 percent and this year we may reach 3.5 percent.

[Silva] Despite the drought?

[Bolona] Do not forget that last year we had cholera and several very negative effects.

[Silva] Are there other measures?

[Bolona] The purchasing power of salaries should slowly recover, but that will depend on the treasury and on company production. Privatizations and the social emergency program will be fully implemented.

[Silva] Shares in the Sogewiese and Buenaventura enterprises were the first to be sold by the sate. Which companies will follow?

[Bolona] I believe Aeroperu [Peruvian State Airlines] will be next. There are also many mining and transportation companies.

[Silva] How high is the tax pressure projected for this year?

[Bolona] It was 9.3 percent of the GDP, but we are making a big reduction. It seems incredible that in a country trying to recover its tax base, some congressmen are not supporting it. It is crucial to try to recover that tax base.

[Silva] What is the current tax base?

[Bolona] We concluded 1991 with 8 percent and the average was 7.7 percent.

[Silva] Is that one of the crucial points of the program?

[Bolona] It is the most important element, it is the Achilles' heel.

[Silva] You created the Tax Reference Unit [Unidad de Referencia Tributaria—URT] of 1,040 soles to expand the tax base up to those who had a monthly income of approximately 220 or 240 soles. Was that an exaggeration?

[Bolona] The URT was created because the UIT [Taxation Unit, Unidad Impositive Tributaria] was completely distorted. It reached $2,000 when it has been traditionally $800. With an UIT of $2,000 the exemptions and deductions were very large. A person with three dependents began to pay at the level of 500 soles, paying a 2 percent rate, that is, 10 soles. Since the URT was abolished the person with three dependents will pay 1 percent starting from a salary of 800 soles, that is 1 sol. That is absurd in a country where the per capita income is $60 per month. We are losing $70 million a year because of such demagoguery.

[Silva] But you plan, however, to continue with the supplementary credit.

[Bolona] We have to seek ways to recover the fiscal revenues we are losing.

[Silva] What can you tell the poor? Is there any hope that the situation will improve?

[Bolona] There will be an improvement and it will be felt in the control of hyperinflation. I believe that when a housewife goes back to the market and realizes that she is not paying higher prices, she can feel the improvement. What was done in the past was a lie and we have already lived many years of lies.

Venezuela

National Congress Installed, Leadership Confirmed

PA0503044592 Caracas Radio Rumbos Network in Spanish 0329 GMT 5 Mar 92

[Text] The National Congress was installed on 4 March. Dr. Pedro Paris Montesinos was ratified as Senate president and Luis Enrique Oberto was ratified as president in the Chamber of Deputies. Ixora Rojas, of Democratic Action [AD] remained as first vice president, and Deputy Efrain Sanchez was appointed second vice president.

The Movement Toward Socailism withdrew from the pact at the Congress, because even though it acknowledges a commitment, the AD and the Social Christian Party [COPEI] solve problems on their own, not calling on others. In other words, AD and COPEI made a pact to be the leaders at the National Congress.

After the leadership of both chambers were installed, Senator Pedro Paris Montesinos spoke and referred to the 4 February foiled coup.

[Begin Montesinos recording] I wish to make some comments on the national political situation following the regrettable events of exactly one month ago. On 4 February, our democratic system was on the verge of collapse by a coup, whose alleged justification was blamed on the serious problems afflicting our democracy, on the fact the people are tired and angry because their most basic problems have not been solved, and they are kept in very depressive conditions. That feeling among the people is the sad truth. What is worse, it seems as if time moves on and we do not notice the problems and the serious consequences.

In my speech in 1991, I warned both the public sector as well as the private sector. My words remained floating in a disturbing silence. At that time, I said: The people are tired of being deceived, as is evident by the growing difficulties of the democratic governments in the hemisphere to maintain social peace, freedom, and order. Such problems are detonators of a social explosion, as was the case here two years ago. That threat is a warning to our political leaders and for our parties, which are the preferred targets of those who do not have any other arguments and consider politicians and political parties as the provoking agents of all problems and sufferings of the Venezuelan people. [end recording]

Group Urges 'Combative 4 Mar' Against Perez

PA0403184692 Mexico City NOTIMEX in Spanish 1740 GMT 4 Mar 92

[Text] Caracas, 4 Mar (NOTIMEX)—Through fliers, the self-proclaimed "Bolivarian Committees" on 4 March urged the people to hold protests to demand the resignation of Venezuelan President Carlos Andres Perez, one month after the unsuccessful coup d'etat.

The fliers were inside an explosive device set off on the morning of 4 March near Radio YVKE-Mundial in northern Caracas. Similar incidents have not been reported in other parts of this capital.

Without providing details, the fliers called on the people to participate in and cooperate with the "traffic jam to take place at 1200 (1600 GMT) on 4 March."

The leaflets also called for the commemoration of "the first month of the rebel coup attempt with a combative 4 March" and they stated that the uprising "showed the weaknesses and cracks in the system."

According to one leaflet, the main objectives of the movement are Perez' resignation, direct democracy, and the elimination of corruption and traditional political leadership.

Another flier asked neighbors, students, workers, and families to organize "Bolivarian Committees of Solidarity" to find creative solutions "in this noble struggle against evil domination."

Meanwhile, relatives of the soldiers arrested after the coup attempt held a demonstration in front of the Attorney General's Office to protest alleged human rights violations, a police spokesman reported.

YVKE-Mundial reported that an undetermined number of demonstrators protested near Congress, which began an ordinary period of sessions on 4 March. The demonstrators chanted slogans in support of coupist leader Hugo Chavez and in demand of Perez' resignation.

Demonstrations in Caracas

PA0403153492 Paris AFP in Spanish 1452 GMT 4 Mar 92

[Text] Caracas, 4 Mar (AFP)—AFP journalists have confirmed that demonstrators have been moving through the streets in the center of Caracas on the morning of 4 March to demand President Carlos Andres Perez' resignation and the release of the soldiers who exactly one month ago tried to stage a coup in Venezuela.

Led by human rights activist Enrique Ochoa Antich, the 4-F Committee of Relatives [Comite de Familiares 4-F]—which groups the relatives of the coupists—is marching to the Attorney General's Office to demand the suspension of the incommunicado measure enforced against the coupist officers and soldiers who are being held at the San Carlos garrison in Caracas.

The government ordered that the coupists be held incommunicado in view of the interviews given by their leaders to the newspapers EL GLOBO and EL NACIONAL. The interviews also led to the removal of Colonel Felix Castillo Oliveros as director of the military prison and his replacement by Colonel Jeidi Cabrera Osorio.

The demonstrators, who were carrying Venezuelan flags and red carnations, chanted slogans demanding the

release of the rebel soldiers, the resignation of President Perez, and the imprisonment of corrupt individuals.

Near the Congress, some passersby began to join the unusual march—the majority of whose participants are middle class individuals, children, and senior citizens—while store owners fearfully began to close their doors as their own employees began chanting along with the demonstrators.

The demand for President Perez' resignation has been under consideration since two former politicians, former Christian Democratic President Rafael Caldera (1969-1974) and writer Arturo Uslar Pietri, proposed Perez' departure as the only solution to the grave crisis that the coup attempt unleashed in Venezuela one month ago.

The call for a referendum to revoke the presidential mandate and the holding of a constituent assembly are other proposals being studied by the country's active sectors.

AD Supports Perez

PA0403180492 Caracas Venezolana de Television Network in Spanish 1601 GMT 4 Mar 92

[Communique issued by the Democratic Action, AD, National Executive Committee; read by AD Executive Secretary Luis Emilio Rondon; date and place not given—recorded]

[Text] The AD National Executive Committee hereby states its position in light of the recent request made by former President Rafael Caldera and the Movement for Socialism [MAS] in which they publicly request the resignation of the president of the Republic.

1. We do not share the view of those who are attempting to hold the president solely accountable for all the responsibilities that have been so burdensome as to render inefficient all measures taken to resolve the present crisis. According to that view, there is an unavoidable need to pressure the head of state into interrupting the current constitutional period. That would create a very serious situation, as it implies an abrupt curtailment of President Carlos Andres Perez' right to exercise the powers and responsibilities legitimately conferred upon him by the people's sovereign mandate.

2. We describe the request for resignation as a request aimed at accentuating the political turmoil caused by the violent events of 4 February. Far from contributing to strengthening the country's institutional development, that moves it toward situations that are not in accordance with what is established in the Constitution of the Republic.

3. The country knows that since the outbreak of the failed military coup d'etat, President Perez has behaved courageously and calmly and adjusted to the consequences of the unusual event. Respecting the law, indispensable in a democratic government, he has given repeated signs of broad-mindedness and has even introduced measures such as the creation of the Consultative Council of the Presidency of the Republic. This shows he is determined to incorporate, to the highest levels of state matters, prominent personalities from qualified sectors of the country despite their party affiliation.

4. The nonparticipation of prominent opposition political party leaders in the executive cabinet following its recent changes is not in response to partisanship demonstrated by the president, but because of a lack of receptiveness shown to his request to include them in a cabinet without altering the current presence of independent personalities who have occupied and who occupy offices of significant importance in the executive branch.

5. AD rejects the evidently foreign idea of those who are bent on making others believe the country is headed for serious problems. It is an excuse for what they are doing. They have not taken into consideration the situation that their actions could create and are ignoring the consequences, which is contrary to the calm Venezuela needs to continue the constructive and uplifting task it has undertaken under the rule of law.

6. It is contrary to the national interest, which seeks to preserve international confidence in the stability of Venezuelan democracy, to promote situations that would defeat the possibility of progress resulting from international organizations' contributions to efforts to improve the country's socioeconomic situation.

7. President Carlos Andres Perez has worked to bring together all those with good intentions, so that all of them can give the country the political foundation that the current situation demands. The position that the only possible contribution that the president could make is to resign seems to us to be extremely serious. Apart from its constitutional effects, that would lead to a breakdown of the climate of openness that has been promoted by the Presidency of the Republic. Thus, it has been demonstrated that the creators and promoters of that position have scorned the concourse of good will that AD believes to be the appropriate channel for resolving the problems that can be seen in the national political panorama.

8. AD fully concurs with President Andres Perez' decision to continue seeking to comply with his duties as head of state until he completes the constitutional period for which he was elected in free elections on 4 December 1988.

For a Free Venezuela by Venezuelans!
[signed] AD Central Executive Committee

New Arrests, Releases

PA0503033092 Caracas Venezolana de Television Network in Spanish 0000 GMT 5 Mar 92

[Text] The Caracas Second Permanent Military Court issued thirteen new arrest warrants on 4 March, raising

to 109 the number of legal actions against officers and noncommissioned officers presumably linked to the 4 February incidents.

Simultaneously, 28 soldiers were granted conditional freedom. So far, 147 soldiers have been released under similar conditions.

The Armed Forces remain on alert. An interview with Rear Admiral Jose R. Huizi Clavier, Defense Ministry spokesman, follows:

[Begin recording] [Huizi] No arrests have been made in Bolivar State. The Directorate of Military Intelligence in Ciudad Bolivar is investigating to determine who is responsible for the harassment of the military unit.

[Unidentified reporter] What is the current situation in Bolivar State?

[Huizi] The current situation is normal, as well as in all garrisons throughout the country.

[Reporter] Is the military alert over?

[Huizi] In reality, there is still a percentage of troops on alert, but we believe the number will be reduced gradually until the situation is totally normalized. [end recording]